

GEE

THE

ACCOUNTANT

ESTABLISHED 1874

Vol= 181

NO 5462

OCTOBER 4th, 1979

30p

62

83

057.05

Ac27



Your company's paperwork for next month's expenses.



D. Jones
Financial Controller
Hawkes & Moore Ltd.,
19-20 Berners Street
London, W1P 3UD

AMERICAN EXPRESS COMPANY, CREDIT DIVISION, P.O. BOX 91, BRIGHTON, ENGLAND, BN2 1ZQ
CABLE: AMEXCARD BRIGHTON. TELEPHONE: BRIGHTON (0273) 633636, TELE. 87133

COMPANY CARD - MONTHLY STATUS OF ACCOUNT

COMPANY ACCOUNT NO. 3742 900719 91007 Billing Date 29th February 1979
Page 1

Please refer any queries to the Manager,
Company Accounts, Address as above
Tel. Brighton (0273) 633656

Subsidiary Account No.	C	Cardmember Name	Opening Balance	New Charges	Items	Credits	Thirty Days	Sixty & Over	TOTAL DUE	REMITTANCE ALLOCATION
CURRENT ACCOUNTS										
3742 900729 91006		D. Jones	372..24	283..37	6	372..24	0..00	0..00	283..37	
3742 900739 91005		P. Hawkes	222..60	146..34	12	222..60	0..00	0..00	146..34	
3742 900749 91004		R. Smith	85..40	67..90	4	85..40	0..00	0..00	67..90	
3742 900759 91003		A. Randall	10..10	16..40	3	10..10	0..00	0..00	16..40	
3742 900769 91002		O. Shannon	127..30	74..41	6	127..30	0..00	0..00	74..41	
3742 900779 91001		D. Hawkins	0..00	25..20	5	0..00	0..00	0..00	25..20	
3742 900789 91000		J. Abram	0..00	0..00	0	0..00	0..00	0..00	0..00	
3742 900799 91009		A. Smith	64..60	46..80	5	64..60	0..00	0..00	46..80	
3742 900809 91008		R. Hill	89..94	0..00	0	89..94	0..00	0..00	0..00	
3742 900819 91007		P. Richardson	131..20	0..00	0	132..20	0..00	0..00	1..00 CR	
3742 900829 91006		R. May	48..65	67..60	10	48..65	0..00	0..00	67..60	
3742 900839 91005		N. Kay	0..00	0..00	0	0..00	0..00	0..00	0..00	
3742 900849 91004		R. White	266..84	123..10	30	266..84	0..00	0..00	123..10	
3742 900859 91003		A. Goulding	64..50	109..17	21	136..10	0..00	0..00	37..57	
CURRENT SUB-TOTAL			1483..37	960..29	102	1555..97	0..00	0..00	887..69	
OVERALL TOTAL			1483..37	960..29	102	1555..97	0..00	0..00	887..69	

SEE REVERSE SIDE FOR PAYMENT INSTRUCTIONS

C Cancelled Account P3384 Items - refers to New Charges only

When you adopt the American Express Company Card System, you need no longer waste time reconciling a multitude of bills and receipts from different sources.

Each month American Express will sort and collate every item of travel and entertainment expenditure charged to the Card by your managers.

Travel tickets, restaurant bills, hotel and car-hire charges are all summarised in one concise monthly statement (illustrated above) which gives you a clear overall view of Cardmember expenditure.

Together with an itemized breakdown for each employee, this forms a compact and permanent record which allows you to identify and control patterns of spending.

There's a choice of billing methods to suit your company. For example you can choose to settle all Cardmember accounts with a single cheque.

By eliminating large cash advances and gaining over four weeks' extra use of your company's money, you can also substantially improve expenses cash flow.

The monthly statement of account is only one facet of the simplest, most efficient system for dealing with business expenses.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs, just cut out the coupon.

And cut the hidden costs of business expenses.



To: The Manager, Company Cards, American Express Company, Freepost, P.O. Box 91, Brighton, BN2 1ZQ.

Please let me have details of the Company Card System for 10 or more employees regularly incurring business expenses.

Name Mr/Mrs/Miss _____

Position _____

Company/Name and Address _____

MSA AC1

☐ If you would like details of the system for 1-9 employees only please tick



The American Express Card for Companies. - It's more businesslike.

American Express Company Incorporated with Limited Liability in the USA. J.S. Quartley, Resident Vice-President - United Kingdom and Ireland.

657-05
AC 27

Editor:

M. Barradell, LLB, FCA
151 Strand
London WC2R 1JJ
Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5462

83

OCTOBER 4th, 1979

In this Issue

466

Auditing Europe

472

**New Ways to Make
Energy Savings Pay**
Edward Symonds

475

You'll Never Be Redundant
F. A. J. Couldery,
FCA, FCCA, FCIS

476

**Professional Ethics and the
Employed Accountant**
R. H. S. Beacham, BCom,
BSc(Econ), FSCA, MBIM

479

It All Depends What You Mean...

481

Insuring Rent
Insurance Correspondent

484

Some Go Up, Some Go Down

491

Partnership Changes
Mavis Seymour, ACCA, ATII

Current Affairs 466

This is My Life 471

Accountant Abroad 472

Revenue Report 479

Banking and Insurance 481

Financial Accountant 484

Student Roundabout 491

Notice Board 495

Cover: Ethical responsibilities of the employed accountant are featured in an article on page 476. (Cartoon from *The AJ Legal Handbook*, courtesy of The Architectural Press Ltd.)

Crown Challenge

'Accountants are the most respectable of people.' This is a view from which we ourselves would hardly dissent. On the present occasion, however, it comes with the authority of Professor David Myddelton, MBA, FCA – Cranfield's Professor of Finance and Accounting; and he was speaking in understandable mystification, and with some heat, after the experience of being challenged by Crown counsel as a prospective juror.

Had such a challenge come from the defence, we might have been the better able to understand it. There are more than circumstantial grounds for suspecting that the right of jury challenge has been abused in particular cases; there are undoubtedly defendants who find the presence of intelligent jurors, willing and able to try the issue according to the evidence, decidedly unwelcome. It may indeed be possible to avoid the risk of jury service at no greater cost than a clean collar and a recent shave (*mutatis mutandis* for the ladies), plus a copy, if not of *The Accountant*, at least of *The Daily Telegraph*. Certainly, the image of Professor Myddelton, as we have come to know him, personifies a conventional respectability.

But the experience of being challenged by the Crown has given the good professor cause furiously to examine the incidents of his past. He is, it must be conceded, an Old Etonian. He admits to the authorship of a pamphlet under the title *We're All Nazis Now*, though this title relates to economic policies rather than to political objectives. There was an occasion on which he and others stood vigil in the rain outside the Bank of England – not, as might be the case with the rest of us, in the subversive hope of catching a bus, but in protest against currency debasement. We recall, too, an occasion on which Professor Myddelton berated ICAEW Recommendation N15 as a half-hearted approach to this same problem, and wanted to see it restyled 'N7½'.

Perhaps his crime is one of clerical impersonation – for he appeared at a less-than-serious session of the ICAEW 1978 conference as 'The Bishop of Cranfield' to propound the heretical theory that accountancy was seen in many families as an alternative career to the Church. As we recorded at the time, he further claimed that 'the Vicar of Bray, FCA, would have done well on the [ICAEW] Council in the course of its struggles to remain academically and politically respectable'.

To allay possible future anxieties among Crown counsel, we welcome this opportunity to endorse from our own knowledge the academic and personal respectability of Professor Myddelton. We express no opinion on the merits of the case for which he was called; but we are confident that the jury-room which his personality might otherwise have enlivened will be a darker place in his absence.

Auditing Europe

'There cannot be a partnership where one partner must keep secret from one or more of his partners matters of partnership business.' With this consideration in mind, the House of Lords Select Committee on the European Communities last week denounced as 'wrong in principle and, as a practical matter, quite impossible to enforce' article 2 of the draft EEC Eighth Directive on qualifications of company auditors.

Article 2, as at present drafted, would pose major difficulties for international firms whose continental partnerships commonly comprise some partners qualified locally and others qualified in the United Kingdom. The present draft would preclude partners not locally qualified, not only from being actively engaged in the audit of companies incorporated in the host country, but also from even seeing any of the documents connected with the audit.

'The committee supports the view of British accountants that it is important that international firms of accountants should be permitted to continue to practise, as they have done in the past, so as to enable the senior partners, even though they are not locally qualified, to ensure that the firm's international standards are maintained and, in the case of a client which is a subsidiary of a multinational company, the requirements of the holding company are being observed.

Considerable benefit

'Moreover, the locally qualified partner derives considerable benefit from the knowledge and experience of the non-resident partners who will often be the auditors of the multinational holding company itself, and it would be strange indeed if the partners who are not locally qualified but who are usually senior partners and who would be jointly liable, as partners, for any negligence on the part of the locally qualified partner in connection with the audit, could not communicate unrestrictedly with him about it.'

Another article (article 11) of the draft Directive calls in question the independence of an auditor who derives more than 10 per cent of his turnover from one company or group client; current professional guidance in the United Kingdom favours a 15 per cent limit on this situation, though with no statutory limitation. Bearing in mind such potential areas of difficulty as the effect of mergers occurring during the year, the position of newly established practices, the policing of any such regulation and the impossibility of forecasting the view likely to be taken by a disciplinary tribunal in any particular case, the Lords Committee is not convinced that any such fixed limitation is desirable. It notes the views of the accountancy bodies, but recommend that the 'single large client' situation (as also the question of auditor shareholdings) should not be regarded in itself as creating an offence, but may be taken into account by a disciplinary tribunal in considering any allegation that an auditor has failed to act objectively.

Less than approval

The committee also looks with something less than approval on certain clauses in the draft EEC Fifth Directive (structure of limited companies) which relate to the appointment and functions of auditors. The relevant passages of the Fifth Directive – articles 52 to 54 – 'so far as they are to be retained at all, should be dealt with in the Eighth Directive' and the present provisions of article 54, which render impossible any movement from the position of auditor to director of the same company within three years, should be deleted. Such movements, according to the committee's findings, 'occur frequently; they have usually proved extremely beneficial to the company and are quite unexceptionable in principle. ... To attract men with accountancy experience and training into industry is surely advantageous to the country.'

The committee strongly supports the principle of equivalent minimum qualifications for auditors throughout the EEC, but is generally opposed to the imposition of educational standards and professional obligations by rigid legal rules. It should be noted that the Eighth Directive aims only to harmonise equivalent minimum qualifications, and will not automatically lead to the mutual recognition of diplomas or to general freedom of establishment within the EEC.

The full text of the committee's report, together with the relevant representations of the UK accountancy profession, are published as House of Lords Paper No 60 (Session 1979–80) by HM Stationery Office, price £2.



Trade unions were accused last week by Sir William Mather, newly-elected chairman of the Institute of Directors, of having lost their historical idealism; they had become 'so preoccupied by their own increasing internal problems that, like the monarchs of old, they need to be for ever attacking others in order to maintain some shreds of loyalty and cohesion within their own ranks'.

Referring to the Institute of Directors as the 'bosses trade union', Sir William continued: 'In that context, it is important that it sets a clear example of serving the public good and, while promoting the professionalism, competence and personal interests of directors, does so in a way aimed at raising the genuine standard of living of those whom directors serve; customers, employees, shareholders, the general public and the nation'.

Sir William is a director of the National Westminster Bank and former chairman of the international engineering business of Mather and Platt.

Current Affairs

Whose Initiative?

A variation on the theme of 'don't call us, we'll call you' seems to have been played by the Treasury and the Consultative Committee of Accountancy Bodies. CCAB, waiting for the now-customary Inland Revenue consultative paper on the reform of capital taxation, has been told by the Treasury that Sir Geoffrey Howe's Budget statement of the Government's intentions in this area could in itself be seen as an invitation to submit representations, and that no further consultative paper was contemplated.

Through its links with district societies of accountants, CCAB may be thought to have already a useful consensus of views in this area – which includes, by the way, not only capital transfer tax but also capital gains tax and development land tax. The CCAB

secretariat is now working towards the submission of a detailed memorandum to the Treasury by November 30th.

While the lines of communication remain open for the profession to make known its views to government at any time, the Treasury's unilateral departure in this case from the discussion paper procedure seems to have raised the risk of an important issue going to some extent by default, and has undoubtedly taken CCAB by surprise.

Going Through the Mill

Last week Mrs Pamela Mason came down on Illingworth Morris like a wolf on the fold, not from Assyria but from California. Not only did company advisers Morgan Grenfell and their stockbrokers Cazenove fall by the wayside, but the auditors Price Waterhouse were given short shrift.

At an extraordinary (in the widest sense of the word) AGM, Mrs Mason, controller of 46 per cent of the voting shares, held forth. Moving the appointment of new auditors, Peat Marwick Mitchell, she gave it as her opinion that a new broom should sweep clean. Peat's were, according to her, 'internationally more active' and she felt they would be more energetic on behalf of the shareholders in a business that had been getting 'dustier and dustier' and which she likened to an 'ailing giant crawling off the floor'. Other board members looked distinctly uncomfortable, not least when Mr Darryl Ostrer said that he would like to see the image of a strong board, and not a branch of show business.

The Illingworth Morris board has been at pains to emphasise that there was no dispute between the company and Price Waterhouse; indeed, Mr Leonard Gorner, FCA, of PW's Leeds office, who attended and spoke at the meeting, defended his firm's record of service to the company and its stockholders for more than 50 years, and was plainly aggrieved at the manner of his firm's dismissal. Whether Peat's (who are associated with PW in one or

two international partnerships) were well advised to accept nomination in the circumstances of this particular case is a matter on which alternative views have already been expressed.

This controversy over the appointment of auditors is but one aspect of the bizarre affairs of a company which has for years been plagued by internecine strife between the descendants of Isadore and Morris Ostrer – two former movie moguls who were reputedly bought out of the film industry at an advantageous price by Lord Rank, and who thereafter controlled Illingworth Morris from the French Riviera. Today Mrs Mason, with 46 per cent of the voting strength, effectively controls the company from Beverley Hills, Calif, while her cousins – the descendants of Morris Ostrer – are 'locked in' and unable to dispose of their holdings.

A proposal to re-elect Mrs Mason's son to the board was objected to by Mr Darryl Ostrer and others, on the not unreasonable ground that Mr Mason had not been seen at a board meeting for the past two years. Mrs Mason countered this with the claim that her son had been kept far too busy as fund-raiser for 'the next President of the United States, Mr Ronald Regan', and looked forward to Illingworth Morris becoming worsted suppliers 'by appointment' to the President. The company is already purveyor of scarlets to Her Majesty's Foot Guards and of whites to His Holiness the Pope.

Inner and Outer Affluence

Improved industrial relations, reduced sickness and absenteeism, increased efficiency and productivity and a management strong in organising power: that the conservative businessman's dream can be realised with the aid of a very simple technique – transcendental meditation – was the message given recently to guests who attended a banquet at the palatial Mentmore Towers mansion in Buckinghamshire.

Principal speakers at this event were the Chief Minister, Mr Stephen D. Benson, and the Minister of Prosperity and Progress, Mr James McRae, of Maharishi Mahesh Yogi's 'World Government of the Age of Enlighten-



Certified accountants' President Mr A. A. Pakenham-Walsh, MA, FCCA, JDipMA, last week denounced the Green Paper 'Company Accounting and Disclosure' (*The Accountant*, September 13th) as 'a regrettable challenge to, and diversion of, professional response to users' needs'. He called upon accountants to become more conscious than they had been of their place in the information industry.

Mr Pakenham-Walsh was speaking at the annual conference of the Association's Council and district society representatives, held at Loughborough University.

ment for Great Britain' – a grandiose title for an organisation with grandiose ideas. What they offer is a solution to all industrial, political and personal troubles, by spreading the ability to meditate to as many people as possible.

While their long-term international plans are perhaps too idealistic for the average accountant, the technique of meditation itself is not to be laughed at. It has been proved to eliminate stress and, consequently, such related physical ailments as high blood pressure and ulcers. But what relevance has this technique of complete relaxation for the business world?

World Government has published a vast amount of information, explaining TM in terms of physics, biology, mathematics, sociology, physiology, chemistry, medicine and biochemistry, though they say that the basis for successful business is the individual. TM is claimed to lead to increased creativity, clarity of thought, neutralisation of the rigidity of routine work for the labour force and utilisation of 'the managerial skills of nature for spontaneous perfect management'.

The American experience, according to World Government, affords statistical evidence that participation in TM by even 1 per cent of the population can significantly improve the quality of life, measured in terms of crime and accident rates. In the UK, World Government believes that TM has considerable potential for improved productivity and employer-employee relations, and is seeking opportunities to develop its philosophy on the industrial scene.

Names and addresses of TM teachers in your area can be obtained from Mr Peter Warburton, Ministry of Information and Inspiration, Mentmore Towers, near Cheddington, Buckinghamshire.

Keep CCA Small

The replacement cost of plant and machinery has risen by 300 per cent in ten years. How many small companies take this into account on a historic cost accounting basis, asked Mr Kenneth Sharp in a talk last Tuesday, organised by the East London and South Essex Society of Certified Accountants.

As chairman of working party M responsible for applying CCA to small

and medium-sized business, he emphasised, on a voluntary basis, Mr Sharp produced a discussion paper (draft 13). The main criteria were simplicity of application, compatibility with exposure draft ED24 and, above all, that the accounts should be useful to the users. 'Accountants', Mr Sharp said, 'are good at producing figures but quite awful at explaining what they mean'. His committee intended to produce two documents; a standard and, a manual, 'CCA the Easy Way' with a drill book approach.

The application of CCA to the small client must be useful. He requires it for decision making. It is more important to him than the ICIs or GKNs who have their in-house accountants. The small businessman is even more dependent on his annual accounts as an essential framework of decision-making for his pricing, distributions of bonuses and dividends and the financing of new projects.

Lay people understand the concept of CCA, that of capital maintenance, and wonder why we have done it any other way. Finally, he told the meeting, it is much better that accountants sort out their own standards than let the Government do it for them as they were threatening to do.

Competition Means Business

Sharpen your wits and get down to business; the annual knock-out competition in business management, the National Management Game, now invites your entries for the 1980 season.

Sponsored by the Institute of Chartered Accountants in England and Wales, International Computers and the *Financial Times*, in association with the CBI and the Institute of Directors, this computer-based game is achieving growing repute and international interest, with overseas events and a European final. It offers a useful training in a simulated boardroom environment.

Prize money for 1980 has been raised to £6,570. Entry forms and rules are available from National Management Game, c/o International Computers Ltd, Victoria House, Southampton Row, London WC1B 4E (01-242 7806).

Middle of the Road

In a new survey on International Taxation and Living Costs, Britain finds itself very much in the middle in the lists of international comparisons of the developed nations.

At the level of national average earnings, employees in Britain are in the middle of the table, ie 10th, where deductions for personal tax and social security are concerned, both for single persons and for the 'standard' family, married with two children. However, at twice that level only four countries – Spain, Portugal, Japan and Italy – out of 20 OECD countries covered, treat their unmarried executives more leniently. France also moves above the UK for the 'standard' executive.

Where the British manager loses out is in the fact that his gross pay, relative to national average earnings, is lower than in most other countries. In France, the manager with comparable responsibilities to the British manager will receive about 25 per cent more than twice average earnings.

Higher prices in this country, partly attributable to the higher rate of VAT, combined with a strong pound, mean that London has moved down from 6th a year ago to 9th now in the cost of living league. California and Sydney have now joined with Madrid, Lisbon, Johannesburg, Toronto and Manchester as being less expensive than London. Nevertheless, 16 countries are still more costly, Tokyo and Zürich being the dearest. A striking fact is that the average amount by which other countries' costs exceed those in the UK has fallen from 36 per cent to 14 per cent in twelve months.

Despite an above average increase in living costs, 14.4 per cent compared with an all-country mean of 9.6 per cent, the purchasing power of the pound abroad is now 6 per cent higher than in mid-1978.

The survey, at £75, contains details of net pay in 21 countries for single persons, married and married with two children, as well as cost of living comparisons based on London and New York. It is available from Inbucon Management Consultants International Salary Research Unit, 197 Knightsbridge, London SW7 1RN. Tel: 01-584 6171.

Hillier Parker's eye on the world -5



This traditional form of mixed residential and commercial development ranges from the simple bivouac to the flamboyant, many-chambered space draped in silks. Scale depends largely on the number of camels available to transport it and the number of wives, concubines, advisers, clerks, servants and camp followers to be housed. Simple thermal insulation techniques keep the occupants of the inner tents cool and relatively free of such hazards as sand in the dates and the goats' milk. The constant pitching and striking of the complex structures necessary to accommodate the more affluent nomads have inhibited much of their wanderlust and most of them now prefer Mayfair.

Wherever you prefer, Hillier Parker's agency teams will help you to find the best property in the best locations – or, for owners, to let or sell or to discover that undeveloped gem.



Hillier Parker
May & Rowden

77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666
and City of London · Edinburgh · Paris · Amsterdam · Sydney · Melbourne · Brisbane

Albany Life brings the investment skills of Warburgs to Controlling Director Pensions

The power behind Albany Life's Pension Plans for Controlling Directors is its pension funds.

And the power behind those funds is the skill and experience of Warburg Investment Management Ltd., investment advisers to Albany Life and managers of over £800 million of pension fund investments.

That investment power is shown in the performance of our Multiple Investment (managed) Pension Fund - up 158.4% since launch in February 1975; and in our Equity Pension Fund - up over 189%.*

Also, our six Funds give exceptional investment flexibility.

Benefits and options? They are all you would expect from a most forward looking Company which has the skill of Warburgs behind it.

To find out more about them and how it can benefit your clients, contact your usual Life Assurance & Pension Advisor.

*as at 31.8.1979.



Albany Life Assurance

A MEMBER OF THE £2,900 MILLION AMERICAN
GENERAL GROUP OF INSURANCE COMPANIES

INVESTMENT ADVISERS: WARBURG INVESTMENT MANAGEMENT LTD.

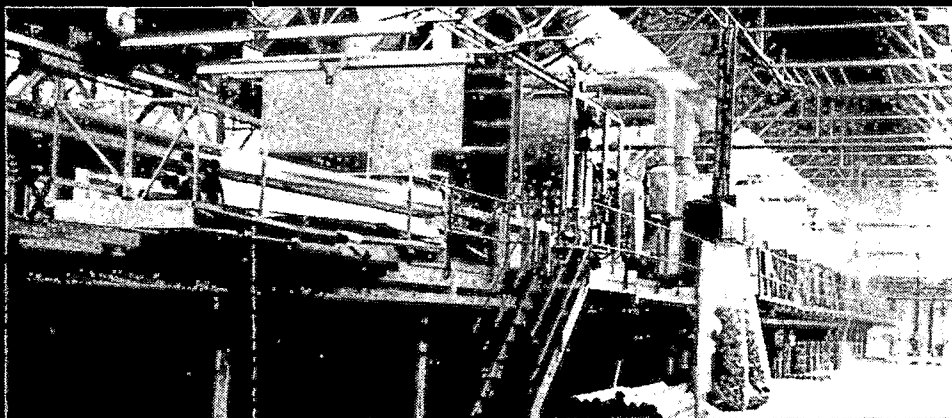
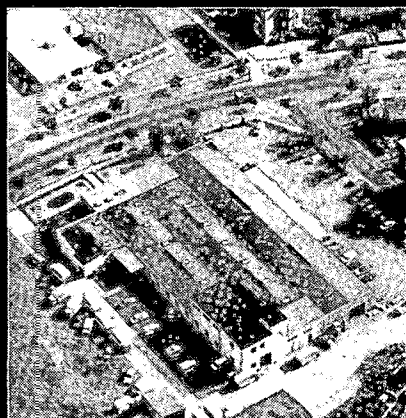
STATION HOUSE, 3 DARKES LANE, POTTERS BAR, HERTS.
TEL: POTTERS BAR 42311

Weatheralls Value

Land, Buildings, Plant and
Machinery throughout
Western Europe

Recent relaxation in exchange controls create
unprecedented opportunities for U.K. companies to
expand overseas.

A strong team of professional advisers with local
knowledge is essential. Weatheralls provide a
comprehensive property valuation service throughout
Western Europe.



London

Weatherall Green & Smith
22 Chancery Lane London WC2A 1LT

01-405 6944

Paris

Weatherall Green & Smith
Weatherall France S.A.
64 rue La Boetie 75008 Paris

563 05 50

Frankfurt

Weatherall Green & Smith GmbH & Co K.G.
6 Frankfurt am Main Goethestrasse 23

29 00 31

Leeds

Weatherall Hollis & Gale
29 King Street Leeds

(0532)442066

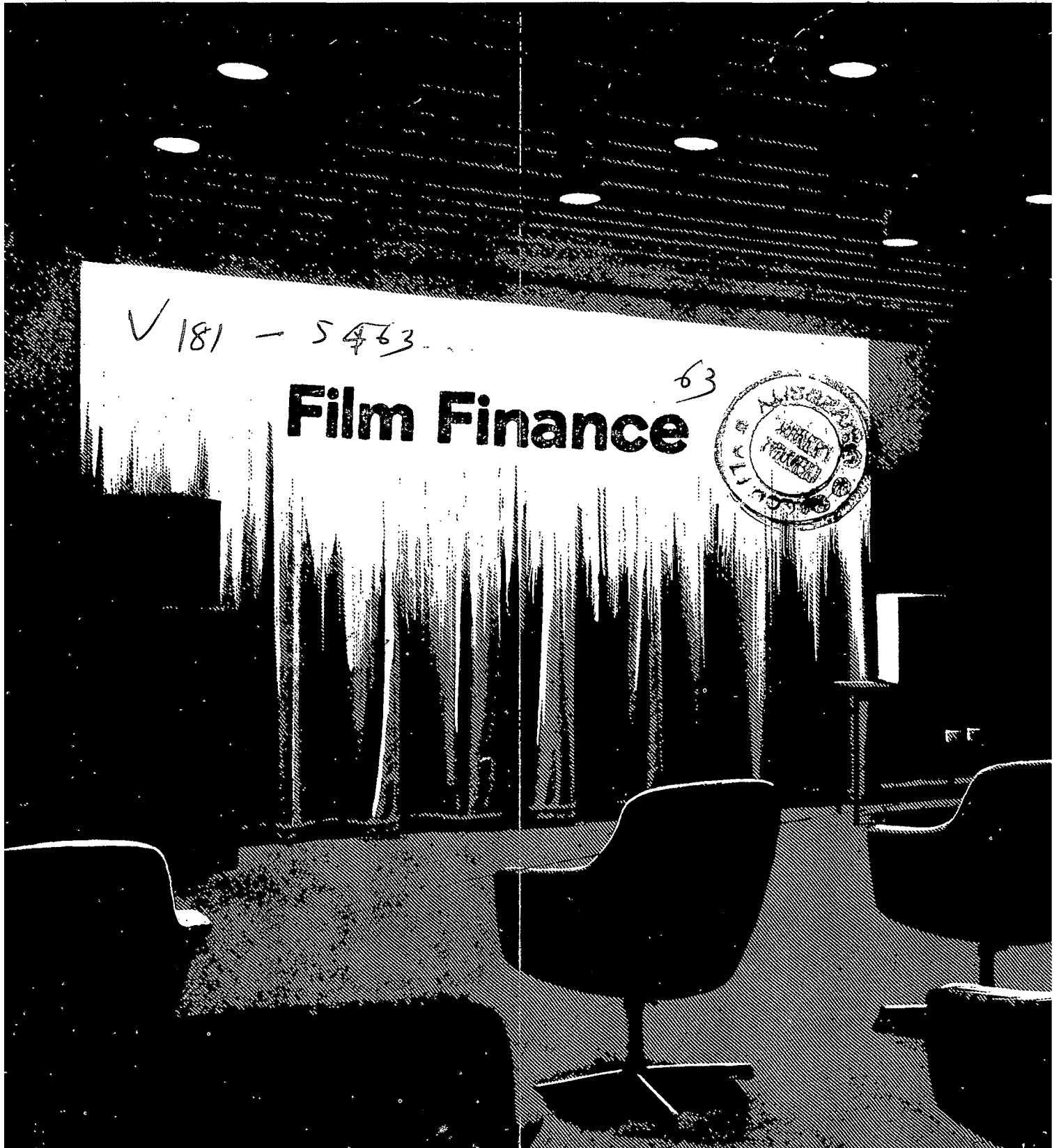


THE ACCOUNTANT

ESTABLISHED 1874

OCTOBER 11th, 1979

30p



Protected Eagles No.4

Bald or American Eagle

A sea eagle, found along the coasts, lakes and rivers of N. America. It returns each year to the same mate and nest, the largest built by one pair of birds. Bald Eagles have been greatly reduced in number by man's activities. Like all eagles, it is now a protected bird.



With 160 U.K. branches you can rely on our ⁴ JAN 1980
countrywide insurance service for your protection. Millions do.
Ask your broker or call in at your nearest branch.



Eagle Star Insurance

**You've made a great deal
of your property for years but**

**KF&R know how
to get the most out of it**

We will make that property portfolio really work for you
We expose the hidden growth potential
We value, manage and constantly monitor performance
We realise potential by selling, by redevelopment
or by lease renegotiation
We challenge your rating assessment
We will upgrade the overall quality of your property holding



Knight Frank & Rutley

Probably the most diversified property service in the world

Notice Board

whilst a director of a limited company, without good cause failed in his duty as a director to ensure that a note or memorandum in writing of a contract for the repayment of a loan made between the company and an employee (B) had been made and signed personally by the borrower, in accordance with the provisions contained in section 6 of the Moneylenders Act 1927

(c) and in that he at London between October 1966 and February 1974, whilst a director of a limited company, without good cause failed in his duty as a director to ensure that a note or memorandum in writing of a contract for the repayment of a loan in the sum of £4,000 made between the company and an employee (C) had been made and signed personally by the borrower, in accordance with the provisions contained in section 6 of the Moneylenders Act 1927

(d) and in that he at London between February 1972 and July 1972, whilst a director of a limited company, without good cause failed in his duty as a director to ensure that a note or memorandum in writing of a contract for the repayment of a loan made between the company and X Limited and which on 31st July 1972 amounted to £120,805.74 had been made and signed personally by the borrower, in accordance with the provisions contained in section 6 of the Moneylenders Act 1927

(e) and in that he at London between August 1973 and November 1973,

whilst a director of a limited company, without good cause failed in his duty as a director to ensure that a note or memorandum in writing of a contract for the repayment of a loan made between the company and X Limited and which on 23rd November 1973 amounted to £108,530, had been made and signed personally by the borrower, in accordance with the provisions contained in section 6 of the Moneylenders Act 1927

was REPRIMANDED and ordered to pay the sum of £100 by way of costs.

3. Robert Michael Breckman, FCA, of 49 South Molton Street, London W1 having been found guilty of misconduct within the meaning of bye-law 78 (a)

(a) in that he at London on 20th March 1978 signed an audit report in respect of the accounts of a limited company, for the period ending 30th September 1977, which he failed to qualify, despite the fact that the accounts did not comply with Statements 2, 9 and 10 of Standard Accounting Practice

(b) and in that he at London on 20th March 1978 signed an audit report on the accounts of a limited company, for the period ending 30th September 1977, which stated that the accounts complied with the Companies Acts 1948 and 1967, when in fact they did not comply with the following provisions contained in the Companies Act 1967: section 6 (i) and Schedule 2, paragraphs 9 and 11 (6.a)

(c) and in that he at London, prior to his signing on the 20th March 1978 an

audit report in respect of the accounts of a limited company, for the period ending 30th September 1977, failed to obtain the approval of the directors of the company to the contents of the accounts prepared

(d) and in that he at London, prior to his signing an audit report on the accounts of a limited company for the period ending 30th September 1977, failed to take adequate steps either to verify the physical quantity of stock listed in the company's stock sheets as at the 30th September 1977 or to verify the basis on which the stock was valued

was REPRIMANDED and ordered to pay the sum of £150 by way of costs.

4. David Francis Pullan (student) of 35 Crosier Road, Ickenham, Middlesex, having been found guilty of misconduct within the meaning of bye-law 78 (a)

(a) in that he at Ruislip on 11th July 1978, signed an application form, addressed to a limited company, which stated that he held the qualification ACA, denoting that he was an associate member of the Institute of Chartered Accountants, when he had not qualified as a chartered accountant, having at the time only passed his PEI examination

(b) and in that he at Ruislip between March 1979 and June 1979, without good cause, failed to acknowledge or reply to three communications addressed to him by the Institute, concerning a complaint against his professional conduct

was REPRIMANDED.

John Foord
chartered surveyors
plant and machinery valuers

Notice Board

PROFESSIONAL NOTICES

Chalmers, Impey & Co announce that the following have been admitted into partnership: P. S. Cooper, FCA, London; R. A. L. Otto, ACA, and P. A. Walford, ACA, Birmingham; and A. G. Rothwell, ACA, Warrington.

Cooper Adamson & Co and Mellors, Basden & Co announce that, as from October 1st, 1979, they have merged their practices under the name of Cooper Basden & Adamson. All present partners and staff will continue with the combined firm, with offices in London, Manchester, Bolton, Lancaster and Reigate.

Hays Allan, Chartered Accountants, announce that Mr S. J. Reid, ACA became a local partner of their Exeter practice on October 1st, 1979.

Louis Nicholas & Co, Chartered Accountants, of Liverpool announce that Mr David Moore Alexander Chestnutt, ACA, who has been a senior member of their staff, has been appointed a partner in the firm and in their associated firm of Simon Jude & West with effect from October 1st, 1979.

Lovewell Blake & Co, Chartered Accountants, of Great Yarmouth, Norwich and Lowestoft announce that Mr J. M. Sisson has been admitted as a partner from October 1st, 1979.

APPOINTMENTS

Mr Michael Colyer, IPFA, has been appointed district accountant with the Bradford District of the West Yorkshire PTE.

Mr Philip Dobson, MA(Econ), IPFA, has been appointed company accountant with Mechanical Services Ltd.

Mr M. D. A. Jamieson, CA, has been appointed chief accountant of Proprietary Perfumes Ltd of Ashford.

Mr A. Leonard, IPFA, has been appointed chief accountant of the Borough of Pinetown, Natal.

Mr Alan Mander, IPFA, has been appointed assistant education officer (finance) to Buckinghamshire County Council.

Mr Derrick Mellor, IPFA, has been appointed principal assistant auditor with Rotherham MBC.

Mr John Standish, IPFA, has been

appointed audit and security manager of the Leicester Building Society.

Mr Colin E. Wharton, IPFA, has been appointed senior assistant district finance officer with the Eastbourne Health District.

Mr Alan White, IPFA, has been appointed borough treasurer of Congleton District Council.

Mr J. Williams, IPFA, has taken over as treasurer of Gwynedd County Council and of the North Wales Police Authority.

The Institute of Chartered Accountants in England and Wales

Disciplinary Committee 17 July 1979

1. Barry Phillip Woodward, FCA, of 15 Worple Road, Staines, Middlesex having failed to satisfy a judgment debt within the meaning of Bye-law 78 (c)

(a) in that he having at the Shoreditch County Court on the 19th September 1978 had final judgment entered against him in the sum of £172.50, including costs, had failed by the 1st May 1979 to satisfy the said judgment.

And having been found guilty of misconduct within the meaning of bye-law 78 (a)

(b) in that he at Acton on 31st March 1979 drew a cheque on his firm's account in the sum of £187.50, in respect of a judgment order obtained on 19th September 1978, without ensuring that there were sufficient funds in that account to meet the said cheque which was dishonoured on presentation.

(c) and in that he at Acton on 23rd February 1979 addressed a letter to the Institute of Chartered Accountants stating that he had written to a firm of solicitors to make an appointment to hand over clients' personal papers, when he knew that at the time of writing to the Institute, he had not written to the solicitors, as suggested

(d) and in that he at Acton, without good cause between March 1979 and June 1979 failed to hand over the personal papers relating to the affairs of clients, despite the fact that he had stated in a letter of 23rd February 1979, addressed to the Institute, that he would be making an appointment to hand over the said personal papers

(e) and in that he at Acton, without good

cause, between June 1978 and June 1979, failed to provide a firm of chartered accountants with information relating to the affairs of a client of theirs

(f) and in that he at Acton, without good cause, having stated in a letter of 25th October 1978, addressed to a firm of chartered accountants acting for a client of theirs that he would deliver the client's personal papers by hand on 30th October 1978, nevertheless failed to do so

(g) and in that he at Acton, without good cause, between March 1979 and June 1979, failed to acknowledge or reply to four communications addressed to him by the Institute, concerning a complaint against his professional conduct

was REPRIMANDED and ordered to pay the sum of £250 by way of costs.

2. Frederick Stebbing, FCA, of Spa House, 11/17 Worple Road, London SW19, having been found guilty of misconduct within the meaning of bye-law 78 (a)

(a) in that he at London between October 1966 and February 1974, whilst a director of a limited company, without good cause failed in his duty as a director to ensure that a note or memorandum in writing of a contract for the repayment of a loan made between the company and an employee (A) had been made and signed personally by the borrower, in accordance with the provisions contained in section 6 of the Moneylenders Act, 1927

(b) and in that he at London between October 1966 and February 1974,

Student Roundabout

Partnership Question Not Anticipated

The examiners' report on the ICAEW May PEI examination shows pass rates around the 80 per cent mark in the Taxation and Law papers, and approximately two-thirds in Auditing and Data Processing. The weakest paper on this occasion was Financial Accounting 1 (barely 50 per cent pass) due in the main to poor answers to question 2 concerning branch accounts.

In what the examiners describe as 'a basic branch account question', varied only by quantity discounts, many candidates showed themselves uncertain of which items should appear in the trading account and which in the profit and loss account, while others ignored the provision for unrealised profit in branch stock and in goods in transit. Few candidates even attempted the second part of the question (loss of quantity discounts due to closure of the branch) 'although the calculations required were relatively simple'.

The adjustment of accounts between partners (question 1) seemed not to have been anticipated: 'There was an impression that insufficient study had been given to the topic [of partnership accounts]. In view of the lack of any difficult points in the question, the performance was disappointing.'

In the Taxation paper, questions 5, 6 and 7 (income from patent royalties, capital gains tax, and 'connected persons') produced the worst answers. Answers to individual questions in the Law paper ranged from 'average' to 'very good', except for question 6 (loan on security of shares), in which many candidates had difficulty in distinguishing legal and equitable charges.

Answers to the auditing questions were 'a little disappointing', due to poor presentation and a lack of planning in many answers. In particular, question 3 (stock and work in progress) should have been anticipated, in view of the importance of this item in most balance sheets; 'but the particular question set, requiring them to contrast the responsibilities of directors and auditors, seemed to catch them unawares.'

'Some candidates failed to obtain easy marks by not stating the fairly obvious points of which they should have had some knowledge, and there was ample evidence of failure to plan the answer before starting to write'. This once again underscores the standard instruction to all examination candidates: 'In the examination room, candidates should read, think, and write - in that order'.

PEII RESULTS STILL 'DISGUSTINGLY LOW'

Despite the small improvement in the results of the ICAEW PEII exams (overall from 30.7 to 32.8) they still remain 'disgustingly low', according to ACASS President, Ian Davies. In particular, a substantial number of no-hopers are still getting through to the final stage only to fail the examination over and over again.

Another complaint made by ACASS is that students desperate to know their results were unable to decipher the slips that they received from the Institute - many of them were unable to distinguish between an 'F' or a 'P' on their forms.

For those students who do pass, ACASS find the Institute's policy of

informing them if they are 'marginal passes' to be totally negative as it exposes them to the risk of being paid lower salaries in consequence.

Among the casualties of the exam system are several well-known faces in the student world - Judi Geisler, ACASS Treasurer; Melvin Taylor, UnEAS general secretary; Dave Williamson, CASSL executive member; Nan Kennedy, ex-editor of *Libra*; and Martyn Griggs, ex-honorary secretary of the Birmingham students' society all failed their PEII.

WHITHER CASSL?

The 'cessation' [*sic*] of CASSL is to be debated at a special general meeting to be held at Chartered Accountants' Hall on December 10th. The context of this announcement, however, makes clear that the meeting will be called on to consider, not the winding-up of the Society, but rather the possibility of its withdrawal - ie, secession - from the national body, ACASS.

This move in the direction of 'UDI' for London students follows the rejection at last month's ACASS Council ('Roundabout', September 20th) of London's claim for a minimum 38 per cent of the votes available on a poll. CASSL chairman Neil Haines has made clear that his executive is willing to consider alternatives to secession - but adds that 'any alternative will have to be agreed in principle at least by the other student societies, since it appears clear that CASSL can no longer rely on the views of the ACASS executive coinciding with those of ACASS Council'.

MELVIN TAYLOR RESIGNS

As a result of failing his PEII examination, Melvin Taylor, secretary-general of UnEAS has resigned. He is succeeded by Pierce Kent, Past-President, ACASSI.

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS

Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

Student Roundabout

Example 2 (continued)

Firm D, E and F

1977-78. Year to December 31st, 1976	£12,240 × $\frac{1}{4}$	£	£
1978-79. Year to December 31st, 1977		3,060	3,450
1979-80. Year to December 31st, 1978		18,000	13,470
		13,800	12,630
Total profits for the first three years		£34,860	£29,550
Total profits 1975-76 to 1979-80		£70,240	£69,250

Example 3

If no election is made:

Firm D and E Division of Partnership Assessments

	Firm £	D £	E £	F £
1977-78. April 6th, 1977 to December 31st, 1977				
$\frac{3}{4} \times £18,000 = £13,500$				
Salary $\frac{3}{4}$ year	3,750	3,750		
Balance shared 1:1	9,750	4,875	4,875	
	£13,500	£8,625	£4,875	

Firm D, E and F

1977-78. January 1st, 1978 to April 5th, 1978				
$\frac{1}{4} \times £13,800 = £3,450$				
Profits shared 2:1:1	3,450	1,725	862	863
1978-79. April 6th, 1978 to April 5th, 1979				
£13,470				
Profits shared 2:1:1	13,470	6,735	3,368	3,367
1979-80. April 6th, 1979 to April 5th, 1980				
£12,630				
Profits shared 2:1:1	12,630	6,315	3,157	3,158
	£43,050	£23,400	£12,262	£7,388

If a section 154 (2) election is made:

Firm D and E

1977-78. Year to December 31st, 1976				
$\frac{3}{4} \times £12,240 = £9,180$				
Salary $\frac{3}{4}$ year	3,750	3,750		
Balance shared 1:1	5,430	2,715	2,715	
	9,180	6,465	2,715	

Firm D, E and F

1977-78. Year to December 31st, 1976				
$\frac{1}{4} \times £12,240 = £3,060$				
Profits shared 2:1:1	3,060	1,530	765	765
1978-79. Year to December 31st, 1977				
£18,000				
Profits shared 2:1:1	18,000	9,000	4,500	4,500
1979-80. Year to December 31st, 1978				
£13,800				
Profits shared 2:1:1	13,800	6,900	3,450	3,450
	£44,040	£23,895	£11,430	£8,715

Reduction of taxable profits if:

(a) No election is made	£	£	£	£
	990	495	—	1,327
(b) If the election is made	—	—	832	—

Whether the trade is treated as continuous or not, the continuing partners can carry forward losses under section 168 and section 171 and off-set them against their share of the profit after the change. Other retiring partners lose their right to carry forward losses but if the business has been treated as discontinued they may be eligible for terminal loss relief. Under section 171 a partner's share of the loss for the part of the year before the change is increased by his share of any unrelieved capital allowances.

Before making a final decision it will be necessary to ascertain the effect on the total income of the partner of other partnership income and annual charges and whether his income is reduced to the point where personal allowances are lost. Tax rates for different years of assessment should also be considered as smaller profits taxed in a later year may be subject to higher rates of tax.

If an election has been made to treat the trade as continuous and after that change but before the end of the second year of assessment following, there is a permanent discontinuance (real or notional) then the cessation provisions apply. These will affect the assessment of the two penultimate years and effectively nullify the section 154 (2) election originally made.

Because of the complexity of the rules that apply when there is a change of partners and the resulting tax avoidance estimated to be at least £3 million a year the Revenue are now studying alternative bases for assessment. The following ideas are under discussion:

1. The 'apportionment' or current year basis; this would be similar to the calculations when section 117 or section 118 operates, splitting accounting periods over the tax year.
2. The 'deeming' basis; whatever was chosen for the accounting period, the profits for the accounts would be deemed to be the profits for the year of assessment. (This still leaves a problem of the first and last year of assessment.)
3. All accounting periods would be standardised to run from April 6th to April 5th.
4. There would be no partnership assessment, partners being assessed individually.

Student Roundabout

paying more tax. Because it is necessary for all to sign the notice of election, those who will suffer as a result are usually compensated by those who would benefit.

To calculate how each partner benefits or suffers as a result of the election, let us assume that D and E used to share profits equally after paying a salary of £5,000 pa to D, but in the new partnership profits are shared D $\frac{1}{2}$, E $\frac{1}{4}$, F $\frac{1}{4}$, (1975-76 and 1976-77 assessments will be ignored as the same profits are assessed with or without an election). (See example 3.)

Further complications derive from the rules relating to stock relief, capital allowances and loss relief.

Stock relief

If a section 154 (2) election is made for profits, the trade is also treated as continuous for stock relief, thus avoiding a clawback of past relief. If that election is not made it is still possible to treat the trade as continuous for stock relief purposes by making a separate election under paragraph 21 (2), Schedule 5, Finance Act 1976. This must be signed by all who were partners before and after the change and sent to the Inspector within two years of the change.

The avoidance of clawback at the date of the change is, however, only one consideration. Another is that any future clawback will be assessed on the partners in their new ratios whereas they obtained relief in their old ratios. Also if the business is treated as ceasing and restarting, stock relief or clawback will be accelerated, particularly if a section 117 election is made.

When there is a partial change, an election is possible under paragraph 13, Schedule 8, Finance Act 1971, for partners to have the business treated as continuous for the purpose of capital allowances, the new partners standing in the shoes of the old partners with regard to future allowances and charges. There is still the problem that in future a partner may receive a larger share of a balancing charge compared with his original share in the capital allowance and vice versa. If no election is made, the trade is treated as discontinued and the assets are treated as sold to the new partnership at market value, resulting in balancing allowances or charges.

Example 2

D and E have been in partnership for many years and, on January 1st, 1978 they admitted F into partnership. Adjusted trading profits were:

Accounting year to December 31st, 1974	£14,200
" " " " " 1975	£12,000
" " " " " 1976	£12,240
" " " " " 1977	£18,000
" " " " " 1978	£13,800
" " " " " 1979	£12,480
" " " " " 1980	£13,080

If no election is made:

Firm D and E

1975-76. Year to December 31st, 1974	
Or section 118. April 6th, 1975 to April 5th, 1976	
$\frac{3}{4} \times £12,000 = £9,000$	
$\frac{1}{4} \times £12,240 = £3,060$	
	£12,060

1976-77. Year to December 31st, 1975	
Or section 118. April 6th, 1976 to April 5th, 1977	
$\frac{3}{4} \times £12,240 = £9,180$	
$\frac{1}{4} \times £18,000 = £4,500$	
	£13,680

1977-78. April 6th, 1977 to December 31st, 1977	
$\frac{3}{4} \times £18,000 = £13,500$	

	Assessment	
£	£	
14,200	14,200	
12,000	12,000	
		13,500
		<u>£39,700</u>

The Revenue would not exercise their section 118 option as £25,740 (£12,060 + £13,680) is less than £26,200 (£14,200 + £12,000).

Firm D, E and F

1977-78. January 1st, 1978 to April 5th, 1978	
$\frac{1}{4} \times £13,800$	
	£3,450
1978-79. Year to December 31st, 1978	
Or section 117. April 6th, 1978 to April 5th, 1979	
$\frac{3}{4} \times £13,800 = £10,350$	
$\frac{1}{4} \times £12,480 = £3,120$	
	£13,470

1979-80. Year to December 31st, 1978	
Or section 117. April 6th 1979 to April 5th, 1980	
$\frac{3}{4} \times £12,480 = £9,360$	
$\frac{1}{4} \times £13,080 = £3,270$	
	£12,630

£	£	
3,450	3,450	
13,800		
		13,470
		13,800
		12,630
		<u>£29,550</u>

ABC would make a section 117 election as £26,100 (£13,470 + £12,630) is less than £27,600 (£13,800 + £13,800).

If a section 154 (2) election is made:

Firm D and E

1975-76. Year to December 31st, 1974	
1976-77. Year to December 31st, 1975	
1977-78. Year to December 31st, 1976	£12,240 $\times \frac{3}{4}$

Total profits for the last three years

Election	No Election	
£	£	
14,200	14,200	
12,000	12,000	
9,180	13,500	
<u>£35,380</u>	<u>£39,700</u>	

(continued opposite)

Partnership Changes

by MAVIS SEYMOUR, ACCA, ATII

This article continues the look at partnership taxation from the July/August *Student Accountant*, and deals specifically with section 154, Income and Corporation Taxes Act 1970 – 'the effect, for income tax, of change in ownership of trade, profession or vocation'.

When there is a change in the persons engaged in carrying on a trade, profession or vocation, section 154 (1) states that for the purpose of calculating the profits to be assessed, the business is treated as permanently discontinued at the date of the change and a new business set up. However, provided that at least one person was engaged in the trade both before and after the change, an election can be made under section 154 (2), within two years of the change, for the profits to be assessed as if there had been no cessation of the trade. This election would have to be signed by all persons who were partners both before and after the change and, if a partner died, his personal representative would sign on his behalf.

This enables the members of a partnership with frequent minor changes in its composition to choose more or less at will, in the light of the profits known to have been earned, when it is financially advantageous to bring the special cessation and commencement rules into operation. (These rules were considered in detail in my article in *Student Accountant* of March 1979.)

It is also possible in some professions for the partners to influence the incidence of profits between years through control over the rendering of invoices and the valuation of work in progress. Further, the profits of the initial period following a partnership change can be artificially depressed by the device of allowing the old partnership to retain work in progress. The combination of these factors allows a partnership considerable scope for tax avoidance by arranging for an initial period of low profits to be brought into assessment two or three times and a later

period of high profits to be excluded from assessment altogether.

For a better understanding of how tax is avoided, it is necessary to start by considering what profits are assessed and how the assessment is divided at the time of the change.

Apportionment in year of change

If an election is made for the trade to be treated as continuous, in the tax year when the change occurs it will still be necessary to apportion the assessment because the way in which profits are shared is changing (see example 1).

Whether to make an election to treat the business as continuous is a difficult decision to make at the time of the

change. The only sure way is to calculate the assessments for five years, ie two years before the year of the change and two years after. This calculation must be done twice, firstly assuming no section 154 (2) election is made and secondly assuming the election is made. One problem of having to make an election within two years of the change is that section 117 profits can only be estimated – and they may be the deciding factor.

The Inland Revenue recognise the problems and the likelihood of a last-minute decision. In their Statement of Practice of January 1973, they state that they will accept a revocation of the election provided this is done before expiry of the two-year limit (example 2).

At first glance it would appear that firm D and E would prefer to make an election, as it reduces taxable profits by £4,320 (£39,700 – £35,380), whereas firm D, E and F would reduce their taxable profits by £5,310 (£34,860 – £29,550) if no election was made. But we mustn't forget that D and E are members of both firms and would be interested in an overall reduction of £990 (£70,240 – £69,250) which would occur if no election was made.

The full impact of the alternative assessments cannot be appreciated unless the method of sharing profits is known. It is very likely that an overall tax saving by the partnership may at the same time result in one or more partners

Example 1

A, B and C have always shared profits equally, and on October 5th, 1978 C dies. An election is made for the business to be treated as continuous, and A and B continue to share profits equally. Profits for the accounting period to October 31st, 1977, were £12,000.

Division of Partnership Assessment

	Firm £	A £	B £	C £
1978–79. Year to October 31st, 1977 £12,000. Proportion April 6th to October 5th $\frac{1}{2}$ year. $\frac{1}{2} \times £12,000 =$ £6,000 Profits shared 1:1:1	6,000	2,000	2,000	2,000
Proportion October 6th to April 5th $\frac{1}{2}$ year. $\frac{1}{2} \times £12,000 = £6,000$ Profits shared 1:1	6,000	3,000	3,000	—
	£12,000	£5,000	£5,000	£2,000

Section 154 requires the assessment to be 'apportioned as may be just' and any question concerning the apportionment will be considered by the General Commissioners. If different bodies of Commissioners have jurisdiction over the various partners, the Board may direct which body of Commissioners will hear the case, unless all the partners agree to a determination by the Special Commissioners.

Valuers and Auctioneers of Industrial Property, Plant & Machinery



Knight Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

A.C.C.A. I.C.M.A. I.C.A.

Guaranteed exam coaching from Metropolitan College.

A.C.C.A., I.C.M.A. and I.C.A. exams are never easy. With our proven home study courses you get all the help you need.

Over 50,000 passes and 1,500 honours or leading places in accountancy exams alone. So if you want to get on, *get our help.*

Courses include up-to-date helpful notes, test practice, expert tutorial criticism, invaluable self-examination questions and official professional publications where appropriate.

For our prospectus (it shows you how we teach and what we teach) send now: The Principal, Department ATA04, Metropolitan College, Aldermaston Court, Reading RG7 4PW, or call at the Metropolitan College Advisory Office, 4 Fore Street Avenue, London EC2Y 9DT. Tel: 01-628 2721.

Call in and see us at our LONDON ADVISORY OFFICE
Career Books, 4 Fore Street Avenue, London EC2Y 9DT
Telephone: 01-628 2721

Prospective students are invited to call for consultation
during office hours (Monday-Friday, 9 a.m.-5 p.m.).
After office hours, messages are recorded for the Advisory Officer.

FAST AIRMAIL SERVICE FOR OVERSEAS STUDENTS

Accredited by the CACC

Member of the ABCC

POST COUPON NOW!

To the Principal, Dept ATA04, Metropolitan College, Aldermaston Court, Reading RG7 4PW. Please send me, without charge or obligation, a copy of your prospectus.

Name
(Block capitals please)

Address

Post Code Age



The Complete Computer Bureau Service

*Sun Alliance Computer Services
provides standard accounting packages
that are simple to install for the
small to medium company.*

*They include comprehensive services
for payroll, sales, purchase and
nominal accounting, stock control
and dividend writing—as well as
minicomputer systems for in-house
computing and data transmission.*

*For full details, please write
or 'phone John Hiron,*



**SUN ALLIANCE
COMPUTER SERVICES**

Beacon Building, 1301 Stratford Road,
Hall Green, Birmingham B28 9AP.
Tel: 021-777 3283.

City Notes

Oil Puddle

Surplus OPEC funds are now clearly swilling round the financial and commodity markets and the 1974-75 experience is beginning to be repeated. But history rarely, if ever, repeats itself exactly, and 1979-80 may not be a complete repetition of five years ago.

One of the reasons is that five years ago OPEC – and particularly Middle Eastern members – even though already committed to major expansion and development programmes, could commit itself still further.

Whether that can be the case this time round is open to doubt. There could well be, this time, a greater proportion of the surplus funds swilling around for longer before being more permanently absorbed.

Bullion markets have already absorbed substantial sums, and metal markets are now beginning to do likewise – leading to rising metal prices at a time of growing economic recession. That combination is likely to deepen recession rather than ease it.

'Stagflation' is increasingly looming as the economic prospect of the early 1980s. Breaking out of the combination of inflation and recession may prove increasingly difficult in economic terms, and next to impossible politically.

The Yellow Peril?

Gold at 400 dollars an ounce is, according to some quoted forecasters, merely the beginning of the rise in price. There are 'chartists' suggestions of a price of 1,000 dollars an ounce if OPEC surpluses, particularly Middle East OPEC surpluses, can find no other worth-while home.

In the present climate of opinion, it is indeed a great irony that the main beneficiary of the gold price explosion – and it is little short of that – is South Africa. The rising price vastly increases the worth of South African gold output and even inflated production costs pale into insignificance beside the rate of the price increase of the metal.

In bygone days, the gold price boom

would have touched off wild speculation in the gold share market, but those times will not be repeated. That London prices for South African gold shares are now quoted in dollars is indication enough of the extremely limited degree of UK interest in the gold share market – and even in gold itself.

Unusual

Even a £15 million swallow does not make a summer, and London Trust's issue of £15 million 13½ per cent 2000-04 debentures is unlikely to be the forerunner of flocks of such issues. The

institutions, particularly the insurance companies, would probably welcome a debenture invasion of the new issue market; but only special companies under special circumstances, such as London Trust, are likely to care to pay the going, or even growing, rate for debenture money.

London Trust's intention is to use the £15 million to finance a fixed interest portfolio to be managed until the time is right for a switch to equities. That is not an everyday basis for issuing debentures; it is not even an everyday investment trust basis, let alone an industrial company basis.

Rates and Prices

Closing prices, Monday, October 1st, 1979

Bank of England Minimum Lending Rate					
May 5, 1978	..	8 $\frac{3}{4}$ %	Feb 8, 1979	..	14%
May 12, 1978	..	9%	Mar 1, 1979	..	13%
June 8, 1978	..	10%	April 5, 1979	..	12%
Nov 9, 1978	..	12 $\frac{1}{2}$ %	June 12, 1979	..	14%

Finance House Base Rate	
September 3rd, 1979,	14½ %

Certificates of Tax Deposit	
August 3rd, 1979:	
interest on payment of tax 14 % + 0 % per annum	
withdrawn for cash 11 %	

FT Industrial Ordinary Index	
October 1st, 1979,	466.8 (3 pm)

Treasury Bills					
July 27	..	£13.3459%	Aug 31	..	£13.3397%
Aug 3	..	£13.3652%	Sept 7	..	£13.3485%
Aug 10	..	£13.2760%	Sept 14	..	£13.4027%
Aug 17	..	£13.2975%	Sept 21	..	£13.4131%
Aug 24	..	£13.3093%	Sept 28	..	£13.3638%

Money Rates			
Day to day	12 -14 %	Bank Bills	
7 days	.. 13½-13¾ %	2 month	14½ %
Trade Bills		3 months	14¾ %
1 month	.. 14½ %	4 months	14½-14¾ %
2 months	.. 14½ %	6 months	13¾ %
3 months	.. 14½ %		

Three Months' Rates			
Local authority deposits	..	..	14½-14¾ %
Local authority bonds	..	..	14½-14¾ %
Sterling deposit certificates	..	..	14½-14¾ %
Euro-sterling deposits	..	..	12½-13 %
Euro-dollar deposits	..	..	14½-14¾ %
Inter-bank rate	..	..	14½-14¾ %

Foreign Exchanges					
New York	..	2.1935	Frankfurt	..	3.8150
Montreal	..	2.5460	Milan	..	1756.50
Amsterdam	..	4.2350	Oslo	..	10.6300
Brussels	..	61.7000	Paris	..	8.9550
Copenhagen	..	11.1700	Zürich	..	3.3950

Gilt-edged

As well as the usual prices quoted at the close of business on press day we also give below the quarter-end prices

				Sept 28th				Oct 1st			
Consols 4 %	..	..	..	33½	..	..	33½	Treasury 13½ % 1997	..	..	106½
Consols 2½ %	..	..	..	23½	..	..	23½	Treasury 9½ % 1999	..	..	82½
Conversion 3½ %	..	..	..	36½	..	..	36½	Treasury 9 % 1994	..	..	82½
Funding 3½ % 99-04	..	..	..	40	..	..	40	Treasury 8½ % 84-86	..	..	91½
Funding 5½ % 78-80	..	..	..	95½	..	..	95½	Treasury 8½ % 87-90	..	..	83½
Funding 5½ % 82-84	..	..	..	84½	..	..	84½	Treasury 3½ % 77-80	..	..	94½
Funding 5½ % 87-91	..	..	..	68½	..	..	68½	Treasury 3½ % 79-81	..	..	93½
Funding 6 % 1993	..	..	..	64½	..	..	64½	Treasury 5 % 86-89	..	..	69½
Funding 6½ % 85-87	..	..	..	80½	..	..	80½	Treasury 5½ % 08-12	..	..	49½
Treasury 13 % 1990	..	..	..	105½	..	..	105½	Treasury 2½ %	..	..	21½
Treasury 12½ % 1993	..	..	..	101½	..	..	101½	War Loan 3½ %	..	..	33½

Retail Price Index (Jan. 1974=100)

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9				

Tax and Price Index (Jan 1978 = 100)

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9				

Financial Accountant

Full relief of tax can be claimed on the interest to service a loan of up to £25,000.

A loan can be repaid at any time – if, say, a house owner decides to sell and live with friends, or in a nursing home. On the other hand, should there be a significant increase in the value of the house after a plan has been arranged, a supplementary contract can be arranged. Here, there is the advantage that the individual is older – which, dependent on interest rates, may result in a higher benefit being secured. Also, at the older age levels, a higher proportion of each annuity payment will be tax-free. The older the person, the better will be the return.

The absolute minimum for a single man or widower is 65, or 68 for a single woman or widow. If the contract is to be arranged on a joint life basis (eg for a married couple), *both* should be aged at least 75. The minimum value for a house is £8,000.

For Expatriates

Save and Prosper is building up its range of services for expatriates, having launched funds denominated in Deutschmarks and Japanese Yen. The funds, which are Jersey-based, but are resident and controlled outside Jersey for tax purposes, are Save and Prosper Deutschmark Bond Fund Ltd and Save and Prosper Yen Bond Fund Ltd. Each will be invested mainly in fixed-interest securities denominated in the relevant currency and traded in the German or Japanese domestic markets and in international markets. In addition, if they see fit, the managers may hold assets in cash, on deposit, or in the money market.

The investment objectives of each fund are to produce a stable level of income distributions and, so far as possible, to increase capital values. The estimated initial yield is 5 per cent on each of the funds.

Both funds are also available through the Save and Prosper International single-premium policy and Save and Prosper intend to link them to the International Ten Plus Policy in the near future.

The funds are designed primarily for individuals and institutions who are either resident outside the Scheduled Territories, or hold freely convertible currency, or who are UK residents temporarily working and living outside the Scheduled Territories and investing foreign-currency savings. Residents of the Scheduled Territories may purchase shares in the funds with investment currency.

The initial charge on each of the funds will be 5 per cent. In addition, there is a quarterly fee of 0.125 per cent of the value of the net assets of the fund.

Health Insurance Improvement

Phoenix Assurance Co Ltd has increased by 50 per cent the 'free' cover available under group permanent health insurance. Now, for example, a group of 50 members can obtain 'free' cover (ie, cover irrespective of health) for up to £7,500 per annum of benefits, compared with a previous limit of £5,000.

The company has also extended its forward underwriting facility, so that benefits of up to £2,000 per annum in excess of the 'free' cover limit can be added on a non-medical basis. Maximum benefits have been increased to include members' pension scheme contributions, and a new 'linked claims feature' has been added. Its effect is that, if a member who has been receiving benefit returns to work and, within one year, becomes incapacitated again as a result of the same illness, the deferred period will not apply on the second occasion.

'Shortfall' and Pensions

In its latest notes to professional advisers, Clerical, Medical and General Life Assurance Society makes the point that, for a close company, a contribution to a directors' pension scheme may not only reduce the corporation tax liability of the accounting period, but may also avoid an apparent 'shortfall', so that the tax relief obtained is at the highest rates applicable to the directors and/or participators. A point which has to be watched is that, whereas the shortfall

usually cannot be determined until after the end of the accounting period, the pension contribution has to be paid during the period, and not afterwards.

Making the point that a 'shortfall' can be avoided, if it can be shown that the money apparently available to pay a dividend is required for use in the business, the Clerical, Medical and General has said that, where a pension scheme has been instituted, the money could be required to pay a contribution in the following year.

In such a case, the company would be saying to the Revenue that the profit of the following year would not be sufficient to meet the contribution paid or payable in that year and the other requirements of the business. 'If the contribution were used to eliminate the "shortfall" in this way, the profits of the first year, without any deduction for the contribution, would be taxed at the corporation tax rate. Relief would be obtained, however, for the excess of directors' and/or participators' personal higher rates over the basic rate of income tax applicable to the avoided "shortfall".'

'When the contributions were actually paid in the following year they would be allowed for corporation tax purposes so that full relief would have been obtained.'

Better Death Return

The Equitable Life Assurance Society believes that it is the first office to provide for with-profit personal pension policyholders an improved return in the event of death before the retirement benefits are taken.

In the past, the return on death has been equal to premiums paid with interest at 6 per cent per annum. Now, the benefit will be a return of premiums contributed towards retirement benefits, together with interest calculated so that the total amount payable equals the accumulated fund to the date of death.

The improvement applies not only to pension policies for the self-employed, but also with-profit individual pension plans arranged on a 'with return' basis, approved under Finance Act 1970. The improvements apply not only to new contracts, but also to policies already in force.

Financial Accountant

When You Gotta Go . . .

There has to be greater mobility of labour for a greater expansion of the economy, some say. People should go to the work, rather than work be taken to the people through grants, subsidies and incentives to companies to establish or develop production in areas needing fresh industrial development.

That is simply said, but no so simply done. It is probably more simply done at the executive or management level of commerce and industry than in other strata. There is invariably an element of subsidy in the movement of executive and managers by major corporations and institutions such as the banks and insurance companies – or even the major accountancy firms.

But even with subsidy in the form of favourable mortgage terms or 'paid for' removals, moving house can be a time-consuming and exasperating experience. The chain of buying and selling that is liable to break at any point, the juggling of the eventual timing of sale and purchase and the grindingly slow process of it all has been known to make even placid people turn puce.

Problems are multiplied if 'the move' means moving a distance, rather than moving to an immediately accessible area. Business executives and managers, in particular, may be called on to move into entirely new and, for them, unknown areas.

A current development in the estate agencies area has been devised to cope with the intricacies, trials and tribulations associated with such moves. Leading agents have joined forces to form a national network of estate agents, a voluntary nationwide service for the out-of-town buyer. Begun after an experimental period two years ago, the scheme is now fully operational.

Founder and secretary of the national network, Mr Laurence Barbet, stresses that the scheme is not one which estate agents can join and then forget about. The scheme is based on one agent per town and there are now more than 100 members with between 600 and 700 outlets throughout Britain.

Only qualified chartered surveyors and professional estate agents with links to professional bodies such as the Royal Institute of Chartered Surveyors and the

Society of Valuers are members of the network, which is a 'gentleman's agreement' type of service. There is no splitting of fees between agents, and no hidden costs to the public.

'The new arrangement', Mr Barbet says, 'ensures that the out-of-town purchaser gets the same treatment from an agent as a local buyer with a house to sell because the agent knows that he will get reciprocal treatment elsewhere.'

The national network's benefits to house buyers are considered to be the provision of full details of suitable properties before the intending buyer travels to see them; professional advice from the network's member agent in the locality; residential areas and the facilities offered; and arrangement of purchasing services such as surveys and finance. Sellers through a national network member agent get immediate coverage in a specific area and the opportunity to offer the house for sale to potential buyers throughout the UK. People moving into the area will be directed to the member agent through the network.

Basically, the aim is to provide professional advice and a speedy and efficient service for people moving from one part of the country to another. Inevitably, such a development is already expanding and there is a close liaison with similar organisations in the United States and in France.

National network members also offer an exclusive house-purchase plan developed in conjunction with the Legal & General Assurance Society. Only those who have made the first exploratory move into new territory and have begun by finding the local agent closed for lunch will begin to appreciate the benefits of a link of professional services.

Unit-linked Flexibility

A novel feature of a unit-linked life policy issued by Skandia Life Assurance Co Ltd is that, within very wide limits, a policy holder can decide at the outset on the total guaranteed life cover to be provided. Subsequently, that can be increased, if required, in line with inflation – without further medical evidence being required. On the other hand, as family responsibilities drop away, the amount of guaranteed life cover can be reduced. Throughout, a policyholder

pays monthly for the actual life cover required each month – being the difference between the value of units allocated to the policy and the total guaranteed protection required. Without the latest micro chip technology, it is most unlikely that it would have been economic to set up a contract requiring so many mathematical calculations each year.

Property Units

The ninth annual report of the Hill Samuel Property Fund shows that the offer price of the original units rose by 15.7 per cent in the year to the end of March 1979. The units have appreciated by a further 11.2 per cent since then.

These results are attributable to the general buoyancy of the property market, together with active management. During the year, the fund sold four properties where 'the managers anticipated that there would be less than acceptable growth in both rental and capital values'. In the last few months, the fund has benefited to a considerable degree from lettings in what, at one time, seemed less popular areas.

Home Income Plans

The sharp rise in house prices has resulted in a number of house owners being able to increase their spendable income quite significantly. Hinton and Wild (Insurance) Ltd, the insurance brokers specialising in 'home income plans', have said that many owners who arranged plans a few years ago have been able to arrange a further plan in the light of the increase in value of their houses.

The principle with a 'home income plan' is that an elderly house owner, as part of a 'package deal' with an insurance company, obtains a loan against the security of the house, which is applied to purchase an annuity. The annuity benefits meet the interest payable (after tax relief) and provide worthwhile 'spendable' income.

Obviously, these schemes have considerable attraction for elderly house owners who wish to increase modest incomes. Equally, the scheme can be attractive for, say, a wealthy elderly widow. By raising a loan, she is reducing the amount of her estate which will be subject to capital transfer tax at death.

per cent and on different assumptions about the North Sea oil price, the exchange rate in July 1980 could range between \$2.20, with a 10 per cent rise in the oil price by then, and \$1.92, with a 10 per cent fall. With the same oil price as in July 1979, the rate would be at a mid-point of \$2.06, but 'on the evidence \$2.20 looks the most probable outcome'.

It is considered that the deterioration in the non-North Sea balance of payments is likely to be much greater than the improvement in the North Sea contribution in 1979, but in 1980 it will probably be rather less, as the value of oil output rises, and the non-oil economy moves into a mild recession.

Such an effect of oil or gas on manufacturing through the exchange rate has become known as the 'Dutch disease'. Oil improves a country's terms of trade, makes it unnecessary to export so many cheap mass-produced goods and encourages a shift up the market. But the transition to a new trade structure can have painful short-run effects on output and employment. Against this background, it is not surprising that the decision on whether to join the EMS exchange rate system has been further delayed.

If British price inflation continues higher than the world average, the pound may fall to a rate which could then be sustained for some time within the EMS provided the inflation rate drops nearer the world average during 1980. But North Sea oil makes a crude comparison of national inflation rates even more inappropriate than it already is as a guide to anything but long-run exchange rate movements.

The UK, in Mr Johnson's view, would obtain many long-run advantages from full membership of the EMS, not least that of exchange rate stability against major trading partners. He considers that 'there is a good case for joining the exchange rate mechanism at the end of this year'.

It might be easier for the UK to remain in the system, however, were the permitted margin to be 6 per cent with 'sudden oil price shocks handled by quick parity changes such as the EMS provides for'. As North Sea output levels off in the mid-1980s the effect of oil price changes on the pound should be considerably reduced, and the UK should then be able to remain within the EMS with narrower margins and fewer parity changes.

The UK economy is bound to participate in the slow-down and, although weakness on a par with 1974 and 1975 is not anticipated, 'the outlook is nevertheless fairly grim'. Next year's slow-down will be emphasised by the manner in which growth has continued far longer and more strongly than anticipated into 1979.

Whereas Hoare Govett's team, like most others, had argued that this year's slowing economy and rising unemployment would cause wage settlements to moderate from the late summer onwards and to cause inflation to peak in the autumn, it now looks as though it will be well into the new pay round before that process begins. And, because the slow-down is now expected to be rather more severe than originally supposed, the moderation in pay settlements may be sharper. But because they will start later, progress made in reducing inflation is likely to be fairly modest, and 'it is only if policies of austerity are continued into 1981 that a genuine return to single-digit rates of inflation looks to be on'.

The team see a 'substantial improvement' in the balance of payments, albeit from a starting-point rather worse than originally anticipated. The overseas accounts could still be in surplus in 1979 and 'certainly the outlook for 1980 remains very satisfactory'.

Another area where the team consider it right to maintain a degree of relative optimism is that concerned with business investment. The corporate sector will find conditions extremely difficult in the next 18 months; but it is doubted whether 'the response will be, as it usually is in a recession, to cut back on capital equipment outlays'.

Instead of this being a mechanism for saving money as it usually is, in 1980 the relative cheapness of equipment should preserve an incentive to undertake spending. With the cost of machinery rising so much more slowly than the cost of labour, 'there will be an element of substitution between the two factors of production'.

While Hoare Govett concede that competitiveness will be eroded and profitability impaired, they suppose that the corporate sector will react to those difficulties by relatively heavy levels of capital spending in an attempt to hold down costs.

Economic Deceleration

Less than euphoric is the view of the economists at Hoare Govett – who say: 'The international economic environment promises to be fairly difficult in 1980, but in our opinion Britain is reasonably well placed to cope with the problems that will arise.'

The leading element in the deterioration in world demand is seen as the United States, although Germany and Japan during 1980 will make progressively larger contributions. This, the team acknowledge, is 'rather at odds with what consensus thinking has been arguing for most of the last 15 months'.

It was earlier considered that the United States' recession would be modest and short-lived, and hardly dent the pattern of world demand. But with the American balance of payments and rate of inflation persistently worsening, it became clear that 'an appropriate

model for the approaching recession was not one of the tepid little pauses of the 1950s or early 1960s, but rather a rerun of the 1975 setback'.

The US administration, it is held, 'now seems to have become partly reconciled to such an eventuality'. Activity, with official blessing, will decelerate sharply during the rest of this year and the chances of achieving a turnaround before the Presidential Election of 1980 are not considered good.

United States activity 'will, after declining rapidly in the next six to nine months, stay fairly subdued for most of 1980' and 'the odds on a sizeable inventory-liquidating downturn... seem quite high'. When the likelihood of less favourable demand in Europe and South-East Asia is added to the US pattern, 'we get a picture of substantial weakness on a world-wide basis'.

Financial Accountant

Hemisphere winter weather, world oil stocks outside Communist areas could revert to more reasonable levels by next spring – around four billion barrels. That would be some 12 per cent higher than at the end of last winter when stocks were exceptionally low. Royal Dutch/Shell also believe that world oil demand (again outside the Communist areas) will fall by some 1.5 per cent in 1980 compared with this year, taking demand back to 1978 levels. 'This', Mr Pocock said, 'is a fairly reassuring assessment, but it is far from safe.'

The supply situation is basically unpredictable; there is not much room for manoeuvre and precious little leeway for any unforeseen upset. Quite apart from any further political upheaval, there is no certainty as to how oil producers will react to falling demand. There is still a confusion of multi-tier pricing within OPEC, with the possibility of restricted production as demand falls.

But having forecast a 1.5 per cent drop in world oil demand in 1980, Mr Pocock had to admit that the demand side is uncertain. The impact of higher prices could be significant but levels of consumer stocks are largely unknown, making it difficult to predict reactions to any easing of supplies.

Consumer worries

The psychological and economic effects of recent events have to be taken into account – consumer worries about inflation and the bite of higher prices could cause demand to drop by more than 1.5 per cent. On the other hand, fears of shortages and still higher prices might cause abnormal stock building in preparation for winter. Fluctuations in Eastern bloc supplies are another complicating factor; there can be no longer any reliance on a regular inflow of almost one million barrels daily of products from the Soviet Union into Western Europe.

So the major oil multinationals must be prepared for the supply-demand balance to move either way in the next 18 months. Any imbalance will immediately affect spot prices up or down – and such effects are usually disproportionate.

'Perhaps the most realistic assumption', Mr Pocock said, 'is that once consumer demand drops and inventories

have been rebuilt to satisfactory levels, certain key producers will correspondingly cut their production. So the situation over the next two years may be an uneasy equilibrium, balanced but still "accident-prone" with most of the risks on the down side.

'And if there are signs of economic recovery leading to a surge in oil demand, we are likely to revert to the same tight supplies and higher oil prices.'

Optimists by Necessity

Converts have a tendency to become extremists, and the Bank of England's conversion to gloom-and-doom economic forecasting is presently being balanced by some less dramatic forecasting by City and particularly stock market economic commentators. Some of these are, admittedly, almost extreme in their optimism. Under the optimistic heading of 'Recession is not Disaster' stock-brokers Rowe & Pitman run the gamut of the bull points.

Transition from a state of comparative buoyancy to the early stage of recession involves, it is admitted, 'a pause in the growth of consumer spending, a sudden unplanned build-up in stock and a shock effect right through the pipeline'. It also involves 'a hiccup in the profit pattern of manufacturing companies'.

But Rowe & Pitman declare that 'The trap that investors and others close to the market can all too easily fall into is to suppose that something fundamentally sinister underlies the bad news from the corporate sector. . . . A "healthy" recession is an inevitable periodic phase in any country's economic progress.' This stage of the market cycle 'is often characterised by anxieties of a secular kind'.

The brokers recall the talk of the end of the post-war boom in 1961, the developing era of profitless prosperity in 1974 and the ungovernability of Britain. And: 'Forewarned against similar anxieties on this occasion, we may be fore-armed to exploit the resultant buying opportunity as it occurs.'

Warming to that theme, Rowe & Pitman consider that: 'In a year's time – perhaps much less – the prospects could look very different. Confrontation will be

over, interest rates may well be falling fast, even larger institutional cash flows will be chasing a diminished supply of new stocks (gilts and equities) and a powerful bull market could be under way. Bull markets emerge out of recessions, not out of periods of economic buoyancy.' In other words, even Rowe & Pitman consider that long-term equity growth is out and that the equity market has to fall before it offers investors the chance of profit. It is only necessary to look at the *FT* Index chart of recent years to acknowledge the point.

The 1974 plunge in the *FT* Index made 1975 a particularly good equity year – but not necessarily to anyone who had bought near the top in 1973. Those buyers who have resolutely held since then may well still see losses.

Perils of Petropound

The 'perils of the petropound' persuade Mr Christopher Johnson, economic adviser at Lloyds Bank, to consider that so-called 'strong' sterling is here to stay. The strength of the pound, he writes in the latest issue of Lloyds Bank *Economic Bulletin*, cannot easily be accounted for by any of the wide range of theories about exchange rates.

The theories do not fit the facts of UK costs and prices, money supply or interest rate developments. If sterling has become a 'petro-currency' because of North Sea oil, the movements in the price of oil may provide a more promising explanation of sterling's vagaries.

Mr Johnson presents a 'simple version' of that theory based on the assumption that the pound's exchange rate in dollars is determined by the dollar price of North Sea oil, deflated by the UK wholesale price index. A rise in the oil price thus sends the pound up – and weakens the dollar – while a rise in UK wholesale prices sends the pound down. On that basis, it is shown that while the exchange rates predicted by the 'petropound' equation would have been 5 or 10 per cent out in 1976, 1977 and 1978, they would have been accurate to within 1 per cent for June and July this year.

On the basis of a probable rise in UK wholesale prices at an annual rate of 15

Some Go Up, Some Go Down

Any eminently rich accountants prepared to take the risk of becoming poor by being members of Lloyd's will hardly take kindly to the forecast by H. P. Drewry (Shipping Consultants) of a rising trend in mammoth oil tanker losses – VLCCs and ULCCs, as they are initially described.

The summer of 1979 was the summer of the lost tankers, and the often dramatic nature of tanker accidents – fire, explosion and pollution – makes them headline material. Last summer saw the explosion of the VLCC *Atlas Titan*; the disastrous collision between the VLCCs *Aegean Capital* and *Atlantic Empress* in the Caribbean; the fatal grounding of the 150,000-ton (which does not qualify for VLCC status) *Stoic* near Japan; and the fatal explosions of the *Ioannis Angelicousis* off West Africa and the *Gerry Duke* in the Arabian Gulf. All but the *Aegean Capital* sank.

Coincidence or – ?

And all that only took the casualty list up to mid-August. Since then, explosions on the *Patianna* in the Arabian Gulf and in the *Chevron Hawaii* in Texas have increased the toll. So Drewry asks: 'Is this simply coincidence, or is it indicative of an emerging trend?'

The first point made is that the number of tanker losses this year is no higher than it has been in the past two years – ten losses in the first three-quarters of this year against 14 in the same period of 1977, and 15 in 1978. But the tonnage concerned is greater. In the first eight months of this year alone the tonnage lost was 1.2 million deadweight tons, an annual rate of 1.8 million dwt. The average size of ships lost has risen from between 50,000 and 60,000 dwt in 1976–78 to almost 120,000 dwt this year.

As to causes of tanker losses, analysis shows that the contribution of collision and explosion have both been higher. Both of the VLCC losses this year were due to these factors. But the statistical evidence is too small to lead to a deduction that the tanker fleet, and VLCCs in particular, is becoming more prone to loss through explosion or collision.

Whenever the subject of tanker losses is discussed, the role of the low-cost flags always comes under scrutiny. Drewry's analysis shows that, this year, 'flag of convenience' ships (mainly Liberian and Panamanian) have accounted for 50 per cent of tanker losses, and the Greek flag for 30 per cent.

These flags account for about 37 per cent and 5 per cent of the world tanker fleet respectively, so that the loss rate in each case is higher than would be expected statistically. This was also broadly the case in the previous three years.

Losses have a tendency to affect older ships. Of total tanker losses the proportion accounted for by ships aged 13 years or more was over 80 per cent in 1976, 75 per cent in 1977, over 80 per cent in 1978 and 50 per cent so far in 1979. This is despite the fact that this age group has accounted for less than 40 per cent of the total world fleet.

Of the two VLCCs lost this year, one was 11 years old and the other five years old. The VLCC fleet is still comparatively young, with hardly any ships in the oldest size category of 13 years or

more. The rise in the number of VLCC losses may not be statistically significant and cannot be explained by an increase in the number of VLCCs trading – 650 in 1977, 620 in 1978 and 660 this year.

Consequences of age

The significance of the developments of 1979, Drewry considers, may well lie in the realisation that the VLCC fleet is naturally ageing. 'Many more VLCC losses in the years ahead' are expected.

If the same rate of loss occurs in future to the fleet of VLCCs and ULCCs aged 13 years or more, the number to be lost would be four in 1986 and nine in 1999. And taking into account some doubts expressed about the standard of construction and operation of some ships and the likely continuing loss of some VLCCs less than 13 years old, 'it is not beyond the realms of possibility that the rate of VLCC losses could be 50 per cent or more above those numbers'.

Drewry concludes: 'The events of 1979 may all too easily be dismissed as statistically meaningless, but the loss of the two VLCCs and the nature of those losses should serve as a reminder that such losses are likely to increase in frequency. In the future we may be facing not one *Amoco Cadiz* or one *Atlantic Empress* per year, but one (or even two) such disasters per quarter.'

An Uneasy Balance

The New York Society of Security Analysts heard Mr C. C. Pocock, chairman of 'Shell' Transport and Trading company and senior group managing director of the Royal Dutch/Shell group of companies, give his impression of oil industry conditions over the next couple of years. It was a report of opportunities missed in the past, and unknown quantities in the future.

An immediate reaction to the oil supply cutbacks in the earlier part of this year was a call for reduced consumption. A reduction in demand of two million barrels daily – 5 per cent – was recommended by the International Energy Agency. Mr Pocock told his audience that, if that could have been achieved

quickly, it would have made a major impact on the supply-demand balance. The serious effects of high spot-market prices would have been avoided, the steam would have gone out of the marginal market and the pull on regular contract prices would have been significantly less.

But, because demand was not reduced fast enough, 'higher oil prices are now a fact, the effects have been felt and we are left to make the best of them'. The average increase of some \$8 a barrel in the cost of oil in the first half of this year, with Saudi Arabia's easing of production limits, has lessened the likelihood of serious stringency this winter.

Given reasonable Northern

The Month Around the Banks

by WILLIAMS & GLYN'S BANK LTD

The expected slow-down in credit demand associated with the long-predicted UK recession has not yet materialised. Consumer spending has continued strong. At first this seemed to be a pre-Budget spending spree prolonged by the tax rebates; now it seems increasingly clear that expectations of higher inflation are being reflected in a continuing movement into goods by individuals rather than into higher savings.

So personal borrowing, associated both with house purchase and with durable goods, has stayed buoyant despite what many would normally consider prohibitive rates of interest. Neither has industry's borrowing shown any signs of flagging; but worsening cash-flow problems in the short term, rather than new investment expenditure, seem to be the main reason for this.

Lending buoyant

A look at the increase in advances extended by the London clearing bank groups in the three months to August confirms the buoyancy in lending. They show a rise of 5.3 per cent over the previous three months in total borrowing by UK residents, and the increase would have been even higher but for the effect of the pound's appreciation (recently reversed) over the quarter, which was reflected in a fall in the value of foreign currency advances. The detailed analysis of sterling advances shows that borrowing was particularly strong by manufacturing industry – with chemicals, engineering and textiles showing the biggest rises; by the agricultural sector – associated with the late harvest, by the professional and miscellaneous services category; and, of course, by the personal sector.

The surge of private sector borrowing has been a major element in the sustained rate of monetary expansion. August was the second month of the new

target period to April 1980, during which the authorities will be aiming to hold money supply growth within the range of 7–11 per cent.

The rate of increase in sterling M3 (cash plus all domestic sterling bank deposits), at about 1 per cent, was over the top end of the range, and would have been even larger but for the effects of substantial capital outflows associated with the recent relaxations in exchange control and with the continuing poor trade performance, both of which have contributed to the decline in sterling in the past few weeks.

Interest rates abroad were also a factor in the currency outflows last month. As the Western world braces itself to the effects of the oil price increases on inflation, balance of payments and exchange rates, interest rates are on the rise to exceptional levels. Official rates were pushed up during the past month in Denmark and France in order to relieve pressure on the krone and avoid pressure on the franc within the European monetary system; and also in Greece, in order to curb lending and encourage saving. In other countries – notably the USA, Germany, France and the Netherlands – market rates made the pace as credit policies were tightened by central banks.

With the narrowing of the gap between UK and international, especially US, interest levels, it is difficult to foresee an early significant drop in UK rates, especially with costs rising faster in Britain and renewed uncertainty over the exchange rate for sterling.

Depressed outlook

But consumer demand and borrowing should ease as the recession begins to bite in the new year. With the gap between wages and prices narrowing, consumer spending will be curbed. In the corporate sector there are reports of a marked deterioration in order books, and

recent surveys point to a sharp drop in business confidence. Investment, after some growth this year, is forecast to be rather depressed next year, reflecting to a large extent the cutdown in public sector expenditure.

Under these circumstances, and with monetary restraint biting by then, there would appear to be scope for some come-back in interest rates. But this is not yet reflected in straw polls of clearing bank branches which, for the time being at least, do not yet indicate any lowering in the strength of the demand for credit.

The corset

The supplementary special deposits control scheme, known as the 'corset', has been reactivated since October 1978. As an instrument for credit control, it operates indirectly, by seeking to limit the growth of bank deposits. Should a bank's deposit growth exceed a defined rate of increase, it must place deposits without interest at the Bank of England on an ascending scale related to the amount of excess growth; this in effect represents a penalty on earnings, which ultimately makes lending unprofitable.

On previous occasions when the corset has been in operation, it has presented few problems to the banks or their customers, principally because the demand for credit was tailing off anyway at the time of imposition. This time it is different. With demand for credit still strong, the banks are having difficulty in reconciling the requirements of their customers with the need to observe the controls – their effectiveness this time round has been reflected in the extensive resort to substitute sources of finance, notably through acceptance credits. Even so, the demand for credit has been such that some banks have run well into the penalty area.

This winter, with firms squeezed for cash, the banks could well find themselves unable to satisfy all the demands made by borrowers. The level of wage settlements will be crucial. If they are high and inflate working capital requirements unduly, then the needs of the corporate sector are going to be difficult, if not impossible, to meet within the current targets for the money supply. In such circumstances the trade-off between wages and jobs would be starkly revealed.

Banking and Insurance

might be difficulty in tracing tenants who might subsequently have departed following assignments of leases.)

If insurance is arranged on the above basis, should there be a claim, the onus of proof lies with the landlord. The estimated rental value cannot be used as the basis of settlement for a claim without qualification. For instance, the insurers will expect some documentary evidence to be provided to support the estimated rental value which was adopted when the insurance was arranged. Also, reference will be made to the going market rate for similar properties. In the event of under-insurance, average will be applied in the normal way, whereby the amount of any claim will be scaled down in the same proportion as the under-insurance. While, therefore, this arrangement can save some premium, it is not a method for eliminating the risk of under-insurance. It is up to a landlord arranging insurance to err on the cautious side, and to avoid under-insurance.

If this arrangement is used, the rent calculation must be made at least every 12 months. It is important not to wait until a rent review has actually taken place before taking action. Incidentally, it should not be assumed on every occasion that the future rent will be higher. At some stages, it may be seen that rental values are falling.

Insolvent tenants

Apart from damage to the premises, there is always the possibility of a tenant becoming insolvent, and being unable to meet the rent due. Here, also, insurance can come to the rescue, by providing tenancy default indemnity. Where a risk is acceptable, Trade Indemnity, the country's largest credit insurer, will provide a guarantee for the benefit of the landlord, with the premium being payable by the tenant.

The indemnity will be paid by the insurance company should the tenant become insolvent. The indemnity can apply not only to rent, but also rates, dilapidations, insurance premiums, and other agreed charges – normally for 100 per cent of the sum selected. Although, in this case, it is the tenant who pays the premium, it can have advantages. For instance, it can take the place of deposited funds with a stakeholder, thus

releasing funds for more profitable purposes.

Trade Indemnity has found that, in some cases, this type of guarantee can be useful for an existing lease. For instance, the directors of a company which is a tenant may have given personal guarantees; but an individual director, for domestic reasons, may wish to sell part of the assets which are included in the guarantee. In that event, an alternative, which often proves acceptable to a landlord, is for the director to arrange a guarantee. The cost is about 3 per cent of the amount involved.

While this insurance is written on an annual basis, if Trade Indemnity or the landlord should not wish to continue, at least one year's notice must be given. When there is a rent increase, Trade Indemnity may be prepared to increase the amount of the indemnity, in return for a suitably increased premium.

While the company has been at pains to point out that it is not in business to provide guarantees in respect of tenants about whom there may be some doubt from the financial point of view, clearly this type of insurance can be useful to trustees who feel that they should not take chances, and should protect the income of a trust's beneficiaries.

For a tenant, a problem can arise if a lease contains a cesser of rent clause, and the landlord stipulates that the tenant must insure the rent for a specified period. In this situation, should the tenant comply with the lease by including rent in his consequential loss policy, or must he arrange separate insurance? If a separate insurance is arranged, can the rent element be excluded from his own consequential loss policy?

From experience, it has been found that some landlords will accept the fact that a consequential loss policy is in force, provided the indemnity period is sufficiently long.

Unfortunately, however, many landlords will not accept a consequential loss policy; they require the tenant to arrange a separate material damage policy – thus, apparently, creating double insurance with the consequential loss policy. In fact, the position is not quite so clear-cut.

Take, for instance, the total loss of a tenant's steam or power supplies, with the result that production is brought to a

complete standstill, without affecting the buildings. In that situation, the cesser of rent clause would not apply; neither would there be any cover under a material damage policy for rent, since the buildings would still be occupied. The tenant, however, could still suffer a serious reduction in turnover. Unless, therefore, there is cover for rent in the consequential loss policy as one of the fixed costs contributing to gross profits, the tenant will suffer a loss.

Loss of cover

Normally, a tenant should always make sure that there is cover for rent under a consequential loss policy, even where a cesser of rent clause appears in the lease. Rent should never be deleted from a consequential loss policy, since this could lead to a significant loss of cover in certain circumstances.

Finally, as mentioned at the outset, where a building is actually occupied and a rent is being paid, there should be little difficulty in establishing the amount of the loss if the tenancy should be interrupted or terminated. It is less easy, however, to establish a landlord's loss if a new building is being erected, or an existing building is being improved, and damage is sustained before negotiations with a tenant have started.

The same position can arise if a landlord owns an empty building which is not required for the business and which it is intended shall be let on short- or long-term basis. While the landlord knows that he intends to let the building, and probably has a clear idea of when he hopes to have it ready for occupation, a strict interpretation of indemnity in the past has created problems in establishing and *proving* the landlord's loss – eg, whether he would actually have been successful in letting the building and, if so, at what rental.

Insurance protection is available for anticipated rent, with a basis of valuation which, in effect, says: 'If you had a tenant lined up and can produce evidence of the rent he was going to pay, that figure will be the basis of the claim. On the other hand, if you did not have a tenant in view, there will still be a claim, based on a professional valuer's opinion of all known circumstances, such as type and extent of building area available, location and local market conditions.'

Insuring Rent

by OUR INSURANCE CORRESPONDENT

In different ways, both landlords and tenants may need to have insurance to cover rent receivable or payable.

Normally, a landlord insures rent receivable; otherwise, there would be a loss of income in the event of premises being damaged or destroyed. The sum insured generally is the annual rent, multiplied by the maximum number of years for which it is anticipated a claim might be payable – ie, the estimated period between the date of damage and the completion of repairs when rent once more becomes payable.

If, however, there is to be a rent review during the period when a claim may be paid, clearly it is difficult to estimate the correct figure for insurance purposes. Not only is there the problem of estimating the rent which will be payable after the rent review, but also an assumption has to be made about when a loss may occur during the period of insurance.

The normal advice given by insurers and insurance brokers is to assume that the loss will occur on the last day of the policy period. If one works on the principle that the rent will be increased at the rent review, adopting this course ensures that the sum insured will be sufficient – provided the estimate of rent receivable after the rent review is accurate.

That is a 'safety first' course, and, in theory, should avoid the problem of under-insurance – which can result in the application of average, with the amount of a claim being scaled down. Nevertheless, adopting that course also means that, unless the loss actually occurs on the last day of the period of insurance (with odds, of course, of 364 to 1 against), there will be over-insurance and more premium will have been paid than was really necessary. Normally, in such a situation, it is not possible to obtain any return of premium.

If there is likely to be a significant increase in the rent receivable at the next

rent review, there can be a wide variation in the amount recoverable – dependent on whether a loss occurs on the first or last day of the policy period. As an example (although, naturally, the figures may vary widely in individual circumstances), one can take a policy with a three-year indemnity period (ie, which will pay a claim for up to three years from the date of damage). The current annual rent is £50,000, and a rent review is due one year after expiry of the policy. At the moment, it is estimated that the annual rent after the rent review will be as high as £300,000.

First or last

In the case of this example, should a total loss be payable following a serious fire on the first day of the policy, provided the sum insured was adequate, the amount recoverable would be two years at £50,000 per annum plus one year (after the rent review) at £300,000, giving a total figure of £400,000. If, however, the fire should occur on the *last* day of the period of insurance, the indemnity period would consist of one year before the rent review (at £50,000), and *two* years *after* the rent review, when it is estimated that the annual rent would be £300,000. In that event, therefore, for full protection, cover would be needed for £650,000. It can be seen that, in this hypothetical example, the difference between the figure recoverable in the event of the fire on the first and last days of the insurance is £250,000.

One way of meeting that situation, which is acceptable to some insurers, has been designed to be reasonably fair to both sides. It is also very simple, so as to avoid administrative work, which is expensive for all concerned. The arrangement – which is by no means universally

acceptable – is to insure at the outset for the maximum cover required if the loss should occur on the last day of the policy, but with an allowance being made in the premium calculation for the fact that a loss is unlikely to occur at such a late point.

The sum insured is calculated in two parts. First, the current annual rent is multiplied by the number of years in the indemnity period. In the above example, for instance, that would provide a sum insured of £150,000. Secondly, there is the increase in rent which would be payable from the time of the rent review. That is calculated from the date of the rent review to the end of the indemnity period, assuming that the loss occurs on the last day of the insurance year.

In the case of the figures quoted above, therefore, with an estimated rent after the rent review of £300,000, the additional annual rent is £250,000. This is multiplied by two, since that is the maximum number of years for which the indemnity period could apply to the higher rent. On this basis, therefore, the sum insured is £150,000 plus £500,000, giving a total sum insured at the outset of £650,000.

For premium calculation purposes, the appropriate rate of premium is applied to the whole of the first element of the sum insured – ie, the current rent for the duration of the indemnity period. For the second element, however, representing the increase in rent from the date of the rent review to the last possible day of the indemnity period, only 50 per cent of the appropriate premium rate is applied.

Broad basis

Insurers operating this scheme are working on the basis that, when the actual new rent is known, there will be no adjustment of premium. Thus, should the estimated increase in rent prove to have been too low, no additional premium will be due to insurers. Similarly, if it is found that the estimate was too high, with the result that there has been an element of over-insurance, no premium will be recoverable from insurers. That approach has been taken on a 'swings and roundabouts' basis, so as to keep administrative costs as low as possible. (One great advantage of the elimination of premium adjustments in that way is the fact that, otherwise, there

Services Directory

COMMODITY BROKERS

Jeremy Oates Ltd
16 Monument Street, London EC3R 8AJ
Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans
Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010
Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Jordans
Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010
Leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd
Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Services (South West) Limited
Millbay Road, Plymouth, Devon. Tel. 0752 68814
Specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd
1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544
TRIPOS - An income scheduling and CGT service designed for Accountants

Saint Andrew Computers Limited
9 South St David Street, Edinburgh. Tel. 031-556 7554
Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

Midlands Computer Centre Ltd
Lichfield House, 85 Smallbrook Queensway, Birmingham 5.
Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

COMPUTER SYSTEM SUPPLIERS

Computer Information Centre Ltd
225 Seven Sisters Road, London N4. Tel. 01-272 5436
Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

CONSULTANTS - COMPUTERS/TELECOMMUNICATIONS

PA Computers and Telecommunications (PACTEL)
Management Consultants, 33 Greycoat Street, London SW1.
Tel. 01-828 7744. Telex: 8813082
Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd
9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663
Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd
15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892
Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd
Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394
Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants
Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321
Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited
22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353
Telex: 264420. Contact Michael Southgate
Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services
54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN
Tel. Maidenhead (0628) 37123
On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd
49 Queen Victoria Street, London EC4N 4SA
Tel. 01-248 0071
The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd
27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336
(Ring, write or call)
Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Savitt's Office Equipment Ltd
Head Office: 20 Brewer Street, London W1R 4DE
Branches: 61-63 Beak Street, London W1R 4JA
186 Fleet Street, London EC4
Tel. 01-439 8331/7
Furniture - Stationery - Typewriters - Calculators

PENSIONS

Duncan C. Fraser & Co
24/28 Cheapside, London EC2V 6AB.
Tel. 01-248 6981
and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.
Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd
Sapphire House, Long Stratton, Norwich NR15 2TH
Tel. Long Stratton (0508) 30324 and 30448
(Open 7 days a week)
Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates
418-422 Strand, London WC2R 0PL. Tel. 01-836 2843
Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group
Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex: 935109
(Open 7 days a week)
Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc
25 Old Burlington Street, London W1X 1LB
Tel. 01-439 6007. Telex: 299905
Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services
17 Wigmore Street, London W1H 9LA
Tel. 01-580 5816. Telex: 24637 WIGMOR G
Full Business Service inc. Arks, typing, mail/telephone offices for short-term hire; photocopying, translating etc

STOCKBROKERS

John M. Douglas & Eykyn Bros
76 Cannon Street, London, EC4N 6AE. Tel. 01-248 4277.
Members of the Stock Exchange, established 1852. Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co
Ling House, 10-13 Dominion Street, London EC2M 2UX
Tel. 01-628 9311 (Established over 100 years)
Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skailles, FCA

Phillips & Drew
Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236
Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co
Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332
Telex: 667783 and London
Services include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Bracegirdle & Brittain
Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311
Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new buildings, dilapidations etc

James Barr & Son
Chartered Surveyors, 213 St Vincent Street, Glasgow
Tel. 041-248 3221
Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger
6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561
(and at Worthing, Hove, Eastbourne, Crawley)
Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd
30 Goodge Street, London W1. Tel. 01-580 1800
Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses
40 Charterhouse Square, London EC1M 6EA
Course Registrar: Jean Slough. Tel. 01-606 0121/7
CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations
Imperial House, 15-19 Kingsway, London WC2B 6UU
Tel. 01-836 1840 and 01-836 1923
All languages - all deadlines

We specialise in setting up companies with existing firms of accountants with a view to dealing with clients life assurance, pension and tax mitigation requirements. We have had a number of years' experience in this field and can prove that we provide an excellent service to the clients as an extension to the normal accountancy service furthermore the commission earned by providing this service can be considerable. It would not be unreasonable to expect the annual commission to be in excess of 50% of the net profit enjoyed by the accountancy practice. For further details please apply to

Box WS 30652

needless to say all replies will be treated in strictest confidence.

TAXATION & ACCOUNTANCY RECRUITMENT

CONSULTANTS TO THE PROFESSIONS

Having established a conventional agency we have on our register situations in all parts of the U.K. in the Accountancy and Legal Professions ranging from audit and tax assistants through to partner level with remuneration from £4,000 to £15,000.

However, we have found that in addition to notified vacancies there is little difficulty in 'creating' situations for candidates of ability who are qualified by examination or experience and if required are willing to undertake a course of further study.

Instead of waiting for the right opportunity to turn up we invite you to discuss with us your hopes and ambitions for the future and we will do all we can to find you the career opportunity you are seeking in an area of your choice.

**3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN**

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates

accountancy personnel

Agy. **TEMPORARY**

**Calling all Managers,
Seniors, Semi-Seniors,
Intermediates
and Juniors**

TEMPORARY JOBS IN ALL AREAS.

**TOP RATES OF PAY ONE WELL
PAID JOB AFTER ANOTHER**

**64 George St,
Croydon
01-686 4686**

**7 MacKenzie St,
Slough
Slough 35939**

**63 Moorgate,
London EC2
01-628 9015**

**14 Gt. Castle St,
Oxford Circus, W1
01-580 2612**

The **Good Job Guide**

THE COMPLETE SELF-HELP GUIDE TO CHANGING YOUR JOB

Over 500 pages of practical information and advice, including:

- trends in the job market
- self-assessment
- effective search
- cv and interview techniques
- training opportunities
- legal aspects
- working overseas
- key facts on hundreds of companies
- detailed profiles of major employers
- a guide to recruitment consultants
- professional associations
- employer category/job and location indices

£1.75

available from major booksellers, or from Order Dept A
The New Opportunity Press, Yeoman House,
76 St James's Lane, London N10 3RD. (add 60p p&p)

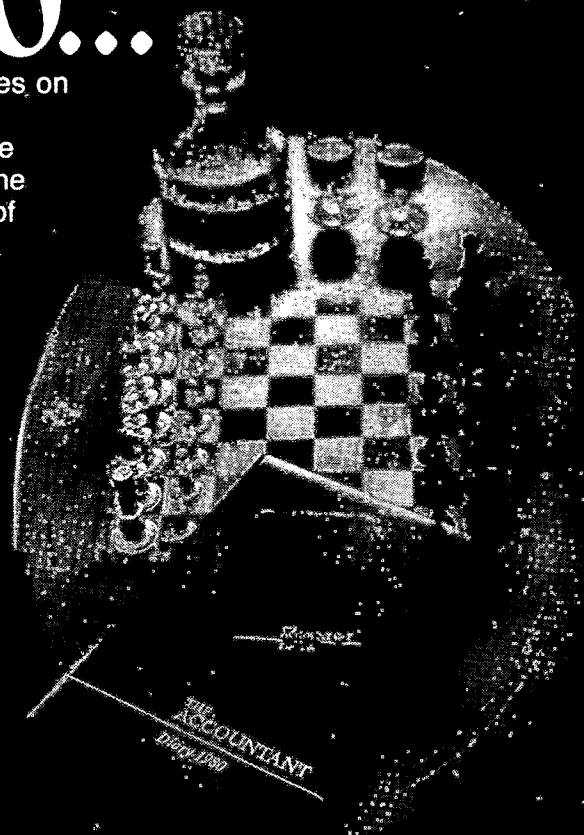
Your best opening move for 1980...

Success in professional life – as in the game of chess – relies on imagination, foresight and a comprehensive background knowledge. Expertise is built up over a number of years. The 1980 edition of the Accountant desk diary is the 105th; for the pocket diary, it is the 67th. We have marked the beginning of a new decade by radically improving the design and lay-out of both diaries and adding still more information to what are easily the most informative diaries in their field – information which will help you to make the right moves at the right time.

The Accountant diaries not only look good, they are practical working diaries, packed with essential information in general, companies, taxation, financial and professional areas. They are designed for professionals in accountancy, finance, banking, the law, business administration and management.

These diaries are not merely prestige symbols. They are designed for day by day use by the shrewd professional. And a gift of an Accountant diary to a client will flatter, impress – and remind him how farsighted you are.

THE ACCOUNTANT *Diary 1980*



LABEL

NAME _____

APPOINTMENT HELD _____

COMPANY NAME _____

ADDRESS _____

If undelivered please return to
GEE & CO. (PUBLISHERS) LIMITED
151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Notes _____

STRICTLY CASH WITH ORDER

**DESPATCH OF DIARIES WILL
BEGIN DURING NOVEMBER**

**NO ACKNOWLEDGMENT OF
ORDER WILL BE SENT**

ORDER FORM

THE ACCOUNTANT *Diary*

Please supply	Price each inc. Postage & Packing	Quantity*
DESK DIARY	£5.20	
POCKET DIARY	£4.15	

*Insert number of copies required above

Diary Total: £ _____

plus VAT @ 15% £ _____

Remittance enclosed: £ _____

VAT Registration No. 239 1838 41

Registered in England 115503



GEE & CO. (Publishers) Limited, 151 Strand, London WC2R 1JJ Telephone: 01-836 0832

What's the fastest way to form a company?

With over 100 experienced people on our staff and around 700 ready-made companies on our books we can offer you an unbeatable turnaround on company formation and a far broader range than anyone else. Perhaps that's why we've formed more companies than any other company?

For a quick reaction simply call David Hodgson in London on 01-253 3030 or Michael Counsell in Bristol on 0272 32861.

Jordans
We always come up with the answers

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81.68 including books, seal, VAT, *Speedy searches*. — Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5

3177/8, 7361, 9936

Telex 887475

Express Co
Registrations
Ltd 30 CITY ROAD
LONDON EC1

READY-MADE COMPANIES available now, also formations, etc. — Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

STORAGE

IDEAL FILE STORAGE!

Edgware Road, NW2

625 sq. ft. modernised
warehouse to let.

Apply

DUTCH & DUTCH
01-624 7788

MORTGAGES

ABANDON CHASING THAT MORTGAGE. — 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. — Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

A COMPREHENSIVE MORTGAGE SERVICE. — Maximum loans for professional applicants. Very competitive top-up facilities. Attractive second mortgage scheme. Speedy mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. — Rowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. 01-908 3434 (24 hours).

SECURED LOANS and remortgages for accountants. — 01-346 4653. Martin Hasseck Ltd, Freeport, London NW4 1YB. 100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. — Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

MORTGAGES AND RE-MORTGAGES

on freehold and 60-year leasehold private dwelling-houses, purpose-built flats and part occupation dwellings, arranged over a 20-year term through highly reputable building society, also joint mortgages. No restriction on age of property if in good condition. Maximum advance £19,500. — For further information please write or telephone, M. P. Joseph (9 a.m.-5 p.m.), 01-242 9936, 125 High Holborn, London WC1.

MISCELLANEOUS

PERSONAL

DATELINE'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. — Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

SUDDENLY the future is here! — The Mighty Micro: The Impact of the Computer Revolution by Dr Christopher Evans. — Just published by Gollancz £5.50.

OFFICE MACHINERY AND EQUIPMENT

1979/1980 FACSIMILE TAX FORMS NOW AVAILABLE

SHARPTHORNE PRESS

149 Stafford Road, Wallington, Surrey
Tel. 01-647 9510

RUBBER STAMPS — NORMAL SERVICE THREE DAYS. — Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. — F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

BUSINESS PREMISES

AN INSTANT OFFICE. — Ideally suit new or expanding firms. Busy position 'Bakers Arms' London E10. Luxuriously furnished. Telephonist, receptionist, C/H and other services and facilities included. — 01-539 3300.

PENSIONS

EXPANDING AND EXPERT Life & Pensions Advisory Service is seeking arrangements with one or two medium-sized accountancy firms, to mutual advantage. Free pensions advice given to your best self-employed clients on Pensions, Self Administered Funds, Partnership and Key Man Assurance. — For appointment please contact Richard Humberstone, Temple Investment Planners Ltd, 55 Harrington Road, Leytonstone, London E11. 01-556 3442.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

FOR SALE

FOR SALE. — Nixdorf Mini Computer Model 820/15, Printer and Auto Ledger Feeder. Regularly maintained and serviced. — Offers to: 01-493 9222 (Mr Rogers). RECONDITIONED COMPANY HOUSE FICHE readers from £50. — Telephone 01-628 0898 or 01-638 9324. SIMON'S TAXES AND STUBBS TAXATION SERVICE. — Offers to Colchester 70109.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that the reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

WOODFORD AREA. - G.F. circa £25,000. This SW. Essex practice has excellent potential and inquiries are welcome for the goodwill. - RMA, Tel. 0245 81166.

WORCESTERSHIRE

Chartered Accountants are interested in acquiring a practice with gross recurring fees between £10,000 and £50,000.

Please apply to Box WC 7139.

£40,000. - High-quality G.R.F. for sale North London. £80,000 cash required. - Box LF 2893.

SUBCONTRACT WORK

A.C.A., N. LONDON requires subcontract work - will collect and deliver. - Available on phone during all office hours. - Box AC 2906.

ACCOUNTANT QUALIFIED incomplete to computer accounting. Collect and deliver. - Box AQ 2854.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. - Please reply to Box AC 6383.

BOURNEMOUTH, Christchurch, Poole and surrounding areas: F.C.A. collects and delivers accounting and tax work performed to high standard. Will consider part-time working in Principals' Offices in immediate vicinity. - Box BC 2822.

CHARTERED ACCOUNTANT with wide experience, particularly in incomplete records, seeks subcontract work in London area. Will work at firm's premises if required. - Box CA 2845.

EXPERIENCED CERTIFIED ACCOUNTANT (36) seeks regular supply of work. Reliable, punctual and meticulous company accounts, incomplete records, tax and all work. - Tel. 01-942 5066.

CERTIFIED ACCOUNTANTS (two partners) have room available in newly furnished modern offices in North West London. Ideally suited to young C.A. with practising certificate seeking additional work on regular basis which cannot be adequately dealt with by present staff complement. Extremely attractive terms offered. - Box CA 2909.

CHARTERED ACCOUNTANT with good all-round experience seeks subcontract work within 20 miles of Harrow/Wembley area. - Box CA 2907.

F.C.A. - Kensington - seeks regular subcontract work. Will collect and deliver or work partially on own premises if required. Prompt and efficient service. - Box FC 2894.

F.C.A. available for subcontract work in London area. City, West End, North, North West areas preferred. - Box FC 2871.

F.C.A. many years' experience in profession, seeks subcontract work or temporary assignments in London and North West. Will collect and deliver. - Please reply to Box FC 2887.

NORTH LONDON chartered accountant with wide experience seeks subcontract work. Will pick up and deliver. - Contact immediately Box NL 2853.

NORTH LONDON. - Permanent position for a semi-senior/senior Accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. - Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

SUBCONTRACTOR REQUIRED to produce final accounts from incomplete records. Ability to audit limited companies preferred but not essential. Staines and Feltham area. - Box SR 2897.

WEST MIDLANDS based F.C.A. seeks regular subcontract work and short-term assignments. - Box WM 2846.

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke. F.C.A. Lowest competitive rates and fair trial period. - Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

A.C.A., 29, U.K. graduate. Trained by international firm. Subsequent small firm experience. Seeks good general practice experience and prospective partnership in Central or SE. London. - Box AC 2839.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. - Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. - All replies to Box AC 6384.

GRADUATE CERTIFIED ACCOUNTANT, African, aged 31, over 5 years' experience in commerce and industry in West Africa, seeks opportunity joining profession for practising certificate. No audit experience but extremely versatile. - Write Box GC 2908.

P.E.H FINALIST with 10 years all-round experience in profession seeks employment. - Box PE 2855.

QUALIFIED ACCOUNTANT, experience in industry, government and education, seeks spare-time work in accounts, taxation, consultancy or professional education. Flexible arrangements. - Please telephone Gt. Missenden 4129.

QUALIFIED B.Sc.(Econ.), A.C.M.A., and holder of Certificate in Management Information seeks position with practice wishing to offer management accounting consultancy services, with a view to obtaining I.C.A. practising certificate. Manchester area. - Replies, which will be treated in strict confidence, to Box QB 2856.

RECENTLY QUALIFIED CERTIFIED ACCOUNTANT seeks position in the profession followed by 2 years in commerce. - Box RQ 2872.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5
Freelances and Job Applicants required also.

TRAINING CONTRACTS

FOUNDATION COURSE COMPLETED seeks training contract in London. - Write Box FC 2895.

SERVICES

HARRY LIST, M.I.C.M., of ALAN CREDIT SERVICES

Offers personal service for Debt Collections; Tracing Services; Status Reports; Company Searches; *Insolvency Dept*; Full U.K. Coverage.

36 WIMBLEDON HILL ROAD, LONDON SW19 7PA
01-947 2829 (24-hour answering service)
TELEX 925191 ALANCS.

COMPANY FORMATIONS

A BACKED SERVICE. - Limited companies formed or ready made. - Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY SEARCHES. - Prompt and reliable personal service at moderate rates. - M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

LIMITED COMPANIES NEW FORMATIONS

**READY-MADE COMPANIES
FOR ALL TRADES £90**
(Complete: no hidden extras)

ALSO

COMPANY SEARCHES

Searches, Seals, Registers, etc.

Descriptive literature from:

GRAY'S INN COMPANY FORMATIONS LTD
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

GREATER MANCHESTER

Company formations
Ready-made companies
All-inclusive charge £94

Apply:
Elderline Limited
7 New Hall Avenue
Salford M7 0JY
Telephone 061-834 1408

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better

M. R. CHETTERBURGH LIMITED
140 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON
EC4Y 0HE. Tel. 01-353 1441

Ring any day - any time - 24 hour service

JP COMPANY REGISTRATIONS & CO. LTD.



Nelson expected the best
Why not you?

Try us for the most efficient
Company formation & search service

313/314 Grand Buildings, Trafalgar Sq.,
London, WC2N 5NB
Tel: 01-930 4567

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. — Please reply to Box AB 6381.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. — For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

A CERTIFIED PRACTITIONER in Newcastle upon Tyne would like to acquire by the end of 1979 gross fees between £10,000/£20,000 either in Newcastle or Morpeth district. — Box AC 6366.

BELFAST/DUBLIN. — Inquiries are invited from firms who wish to pursue merger or association relationships. Strictest confidence observed. — RMA, Tel. 0245 81166.

BOURNEMOUTH. — Established practice wishes to acquire a block of fees in the area of up to £40,000. — RMA, Tel. 0245 81166.

BRISTOL. — We have many clients wishing to acquire practices or blocks of fees in Bristol on attractive terms. — RMA, Tel. 0245 81166.

BROMLEY AREA. — Expanding chartered practice for sale. G.R.F. £65,000 approx. — Box BA 2835.

CARDIFF MERGER/ACQUISITION. — Cardiff practice established circa 1905, G.R.F. in the region of £180,000, seeks to acquire practices or blocks of fees within an area bounded by Barry, Bridgend, Pontypridd and Newport, and in Carmarthen. Our client is able to offer up to one-and-a-half times G.F. as a capital sum and if required will also provide scope for the principal(s) to continue with a most beneficial agreement. Alternatively firms seeking growth and future development by merger can stand to gain a great deal and make rapid advancement. Full details given in complete confidence. — RMA, Tel. 0245 81166.

CENTRAL LONDON. — A practice or block of fees up to £50,000 is sought by a reputable practice. — RMA, Tel. 0245 81166.

CHARTERED ACCOUNTANCY PRACTICE requires G.R.F. up to £50,000 within 50 miles of London area. — Reply in strict confidence Box CA 2851.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. — Box CA 6382.

CHARTERED ACCOUNTANT sole practitioner Birmingham/West Midlands area urgently requires block of fees/small practice. — Box CA 2867.

CHARTERED ACCOUNTANTS, LEICESTER. — G.R.F. £70,000+ wish to dispose of practice on cash basis only. Price required £100,000 to include work-in-progress and fixtures. Principals only. — Box CA 2836.

CHARTERED ACCOUNTANT, situated South Essex. Sole practitioner with G.R.F. £25,000 seeks amalgamation/association with other person(s) to pool resources and expand practice. — Contact Box CA 2841.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. — Box CA 6374.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantage. — Please reply to Box CC 7137.

CITY FIRM. — G.F. £1,000,000+. Our client wishes to acquire or merge in the following areas: East, South or West of London, within a sixty-mile radius of Bristol, and the West Coast/West of England. Associations are additionally sought in Belfast, Manchester, Edinburgh or Glasgow, Ipswich or Norwich, Leeds, and the South Coast. — RMA, Tel. 0245 81166.

COUNSELLING for overworked, undercapitalised and frustrated practitioners who require guidance on Practice Disposal, Merger and Valuation. References available and strictest confidence observed. — RMA, Tel. 0245 81166.

DERBY SOLE PRACTITIONER with G.R.F. £70,000 welcomes discussions with similar sized practices in the area with a view to merger or would consider proposals from a large firm requiring local representation. — Box DS 2837.

ENFIELD. — £60,000 G.F. This growing practice established 1967 operates from High Street offices and provides a general audit and accountancy service. — RMA, Tel. 0245 81166.

ESSEX. — If you have a practice within the area of Chelmsford, Ongar, Romford or Southend and wish to sell contact us today in strict confidence. — RMA, Tel. 0245 81166.

EXTENSIVE EXPERIENCE, F.C.A., desires partnership/working arrangement, £6,000+ own fees and $\frac{1}{2}$ of time available. — Box EE 2904.

FIRM OF C.A.s wishes to acquire a practice or block of audits in North London or adjoining areas. — Box FO 2870.

FOURTH PARTNER required for rapidly expanding Worcestershire practice. Initially as P.A. to partner for probationary period. Taxation bias would be advantageous. Salary £6,000-£7,000 initially with negotiable bonus. — Apply Box FP 2885.

GUILDFORD. — Long-established City firm with work in Guildford, wish to acquire. A prompt generous settlement can be arranged as cash is available in ample amounts. — RMA, Tel. 0245 81166.

LEICESTER C.A. with extensive industrial experience wishes to return to the profession by purchasing a small practice or block of fees or partnership. — Box LC 2892.

LINCS, MERGER. — Long-established practice G.F. c. £600,000 wishes to expand by merger or acquisition. Inquiries invited in confidence. — RMA, Tel. 0245 81166.

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF
WEST SUSSEX/HAMPSHIRE

to £250,000 GF
GLASGOW/EDINBURGH/

BIRMINGHAM/BRISTOL/CARDIFF/
DUNDEE/EASTERN COUNTIES

to £500,000 Plus GF
DEVON/CORNWALL/SOMERSET

to £100,000 GF
CAMBRIDGESHIRE/NORFOLK/

BEDFORDSHIRE c £40,000 GF

DENNIS CHATFIELD & ASSOCIATES
WHEATSHEAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353-1307/
1308/5831.

Merger/Acquisition National Firm GF £10m Plus Greater Cardiff Area

■ **OUR CLIENT** a long established Chartered Practice of national stature, with an increasing number of strategically placed offices throughout the United Kingdom, now seeks to develop further by means of a compatible merger or acquisition in the Cardiff area.

■ **THE ADVANTAGES** which would accrue to firms seeking growth by merger in this area would include exceptional training assistance, availability of highly advanced systems, expert specialist counsel and, in addition, substantial geographical benefits both nationally and internationally for the promotion of client attraction, retention and development.

■ **THE SETTLEMENT** envisaged will be generous — in the case of acquisitions up to 1½ times GF with highly attractive consultancy options. In the case of mergers, as our client believes in the autonomy of each office, individuality and personal contribution will be maximised. To discuss these excellent opportunities contact us in strictest professional confidence.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Road Chelmsford England

☎ 0245 81166/81167

MANCHESTER CHARTERED ACCOUNTANTS, three partners, G.R.F. £65,000 would welcome discussions with other practices with a view to merger. — Box MC 2905.

MANCHESTER. — Eager, highly organised Chartered firm with spare capacity, wish to acquire on very advantageous financial and personal basis. — RMA, Tel. 0245 81166.

MERGER. — Often the catalyst to fast growth, economic, geographic, technical and personal benefit. — RMA, Tel. 0245 81166.

NORTH WEST LONDON Chartered Accountants providing mainly specialist services seek to acquire a small practice/block of audits up to £20,000 G.R.F. Cash and/or pension arrangement negotiable. — Box NW 7140.

NORTH YORKSHIRE/TEESIDE

Chartered Accountants are interested in acquiring a practice with gross recurring fees between £19,000 and £40,000.

Please apply to Box NY 7138.

NOTTINGHAM. — G.F. c. £14,000. Practice for disposal due to Principal's pursuit of other interests. Established circa twenty years with around 140 clients. — RMA, Tel. 0245 81166.

PARTNERSHIP DISPUTE. — Our specialist nationwide service can assist with valuation, dissolution, goodwill preservation and practice/equity/fee disposal. Strictest confidence observed. — RMA, Tel. 0245 81166.

PARTNERSHIP/MANAGER up to 50% available in local practice. Will interested party please forward details. — Box PM 2852.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. — Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

SE. HERTS. — G.F. £60,000. Would consider selling in two blocks. Circa 300 clients lease available. — RMA, Tel. 0245 81166.

SELLING/BUYING/MERGING. — RMA have successfully completed many UK transfer assignments. If you have a specific problem, or just wish to gain a fresh perspective on these vital matters, our Managing Partner can arrange for a convenient consultation at your home or office. — RMA, Tel. 0245 81166.

SMALL TIDY BLOCK OF CASES FOR SALE by retiring Middlesex part-time practitioner. Gross annual fees approximately £1,500 (capable of being doubled immediately), price £1,500 for quick sale. Assistance given with continuity. — Tel. Uxbridge 30748.

SOMERSET CHARTERED PRACTITIONER seeks small practice or block of audits in West Country. — Box SC 2838.

SOUTH WALES. — We are retained by a client who is actively seeking a small block of fees within a twenty-mile radius of Swansea. Up to one-and-a-half times will be paid for Gross Fees. — RMA, Tel. 0245 81166.

SUFFERING from staff problems, poor health, overwork, strained relationships, and wish full/part retirement or withdrawal, we can assist you to reap the maximum yield from your exertion and investment over the years. — RMA, Tel. 0245 81166.

VALUATIONS FOR PRACTICES, equity shares, blocks of fees and dispute situations, in strictest confidence. — RMA, Tel. 0245 81166.

COMMERCE & INDUSTRY

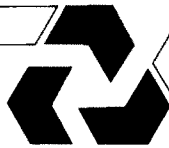
ACCOUNTANT/CASHIER for Somerset solicitors, previous experience with practising accountant or solicitor essential. Salary to £5,500. — Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. — Tel. 0935 25183.

EDWIN SHIRLEY TRUCKING LTD, a leading transport company in the entertainment business, is looking for a qualified accountant to head a small accounts department, prepare management figures and balance sheets. Salary negotiable. — Please write in the first instance to The General Manager, Edwin Shirley Trucking Ltd, Crows Road, London E15 3BX.

EXPERIENCED ACCOUNTANT (preferably qualified) required by manufacturing company in Wembley. The main duties involve keeping complete sets of books, preparation of monthly and final accounts, financial reporting, credit control and payment of all accounts, salary negotiable depending on ability and experience. Excellent prospects in expanding company. — Telephone 01-998 1174 for interview or write with c.v. to Managing Director, Steam Vacuum Extraction Ltd, 278A Abbeydale Road, Wembley, Middlesex. **WEST END.** — Retired accountant for simple book-keeping/stats work. — MPP Consultants, 01-242 0965/8.

PRIVATE COMPANIES' GROUP ACCOUNTANT

Aged about 40, required to help run group of private companies in Romford, with view to becoming Company Secretary. The applicant need not be qualified but should have good knowledge of all accountancy practice, company law, taxation and should also be conversant with all aspects of office management. Assistance with housing can be given if required. Opportunity to join Pension Scheme after initial period. Salary commensurate with experience. — Apply in writing to Box PC 30788.



Newly-Qualified Financial Accountant

London circa £7,500

The development of our Group Accounts department has resulted in the creation of this new position for a young accountant, ideally a newly-qualified ACA, with experience of consolidations.

The work will be varied including assisting in the annual consolidation exercise, developing reporting systems and appraising the impact of legislation, accounting standards, etc.

To find out more about this opportunity and the generous fringe benefits that go with it, send brief but comprehensive details of your experience and qualifications to:

The Controller, Group Accounts,
National Westminster Bank Limited,
15 Featherstone Street, London EC1Y 8QS.

National Westminster Bank

FINANCIAL CONTROLLER/MANAGEMENT ACCOUNTANT

COMPANY CAR

This is a first-class opportunity for a young qualified accountant with initiative to take control of the accounting, financial and administrative functions of a fast-growing manufacturing and engineering group with a turnover in excess of £3 million. They will report directly to the Managing Director.

The applicant must be familiar with costing and budgetary controls and have 3-4 years' industrial experience.

Please write giving full details of career to date to:

Mr G. E. Marjoram, Lewis, Jackson & Co, St Olaf House
London Bridge, London SE1 2RG

OFFICIAL APPOINTMENTS

VICTORIA UNIVERSITY OF WELLINGTON

NEW ZEALAND

CHAIR OF ACCOUNTANCY: Applicants able to provide academic leadership in management accounting will be preferred. An interest in management accounting may be combined with involvement in other selected areas of concern to the department, such as public sector accounting, information systems and taxation. The Department of Accountancy has an establishment of 28 academic posts, including four Chairs, and offers a wide range of courses for the BCA, BCA(Hons), MCA and PhD degrees.

ACCOUNTANCY: Senior Lectureship and Lectureship in the Department of Accountancy. These positions involve teaching at undergraduate and graduate levels. Research support in various forms is available. Applicants for the *Lectureship* should have demonstrated potential in teaching and research activity. Applicants for the *Senior Lectureship* should have a doctorate in accounting or finance or, alternatively, have a successful record of teaching, research or professional activity.

CLOSING DATE: October 31st, 1979.

SALARIES: The salary scale for Professors is NZ\$27,533 to \$34,455, for Senior Lecturers NZ\$17,285 to \$19,780, where there is a bar, then \$21,533, and for Lecturers NZ\$13,722 to \$16,861 p.a. Fares paid to New Zealand.

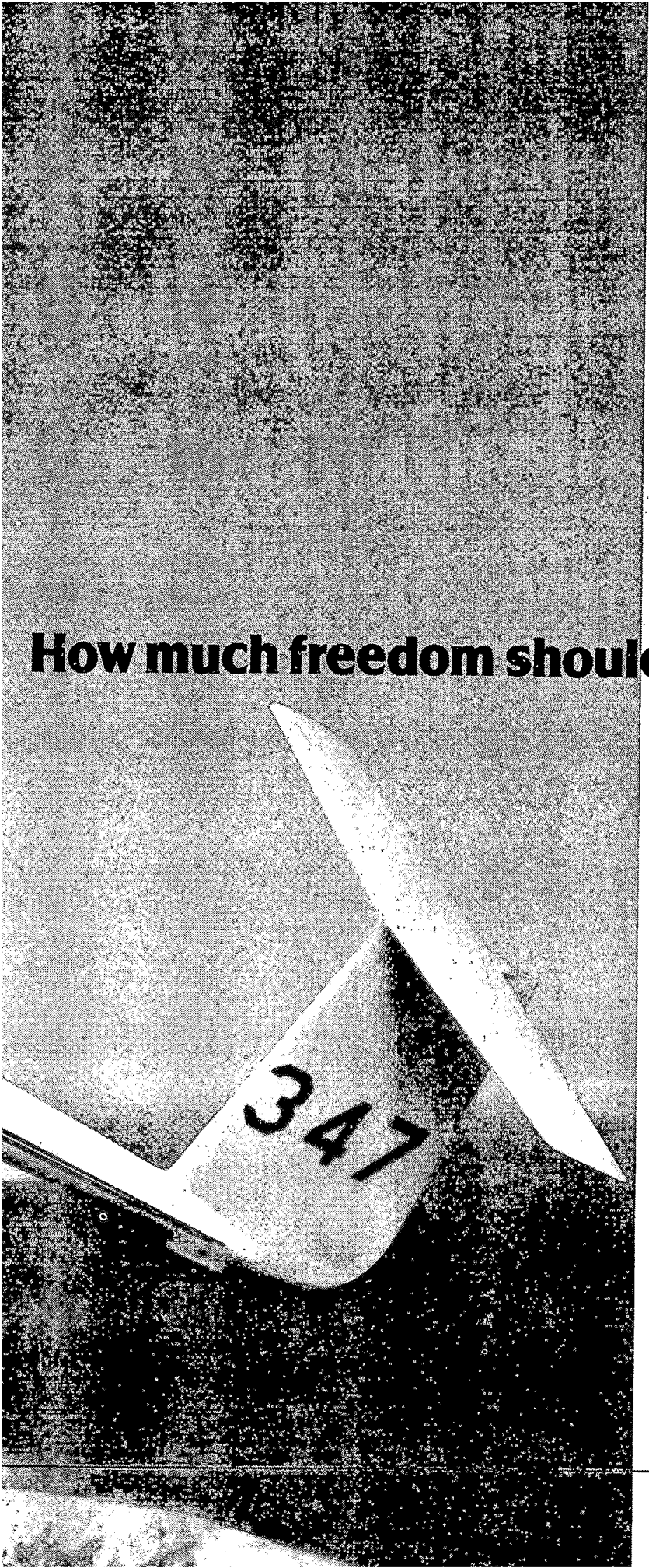
CONDITIONS OF APPOINTMENT: Prospective applicants should first obtain conditions of appointment and application procedure from the Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF, or from the Appointments Officer, Personnel Office, Victoria University of Wellington, Private Age, Wellington, New Zealand.

OVERSEAS

SAUDI ARABIAN businessman requires young qualified accountant single and preferably with experience of the Middle East to act as his personal Financial Accountant based on Jeddah, Saudi Arabia. Tax free salary negotiable in excess of £12,500 p.a. — Please send brief but comprehensive details of experience and qualifications to Box SA 7136.

DO YOU HAVE DIFFICULTY IN WORDING YOUR ADVERTISEMENT?

**If so, may we help?
Ring 01-836 0832
Extension 30**



How much freedom should an accountant have?

It is easier to control people than to give them their freedom, but Price Waterhouse has not built its reputation on easy solutions.

Neither will you.

We offer experience, training, career development and overseas opportunities second to none, and the freedom to make the most of them.

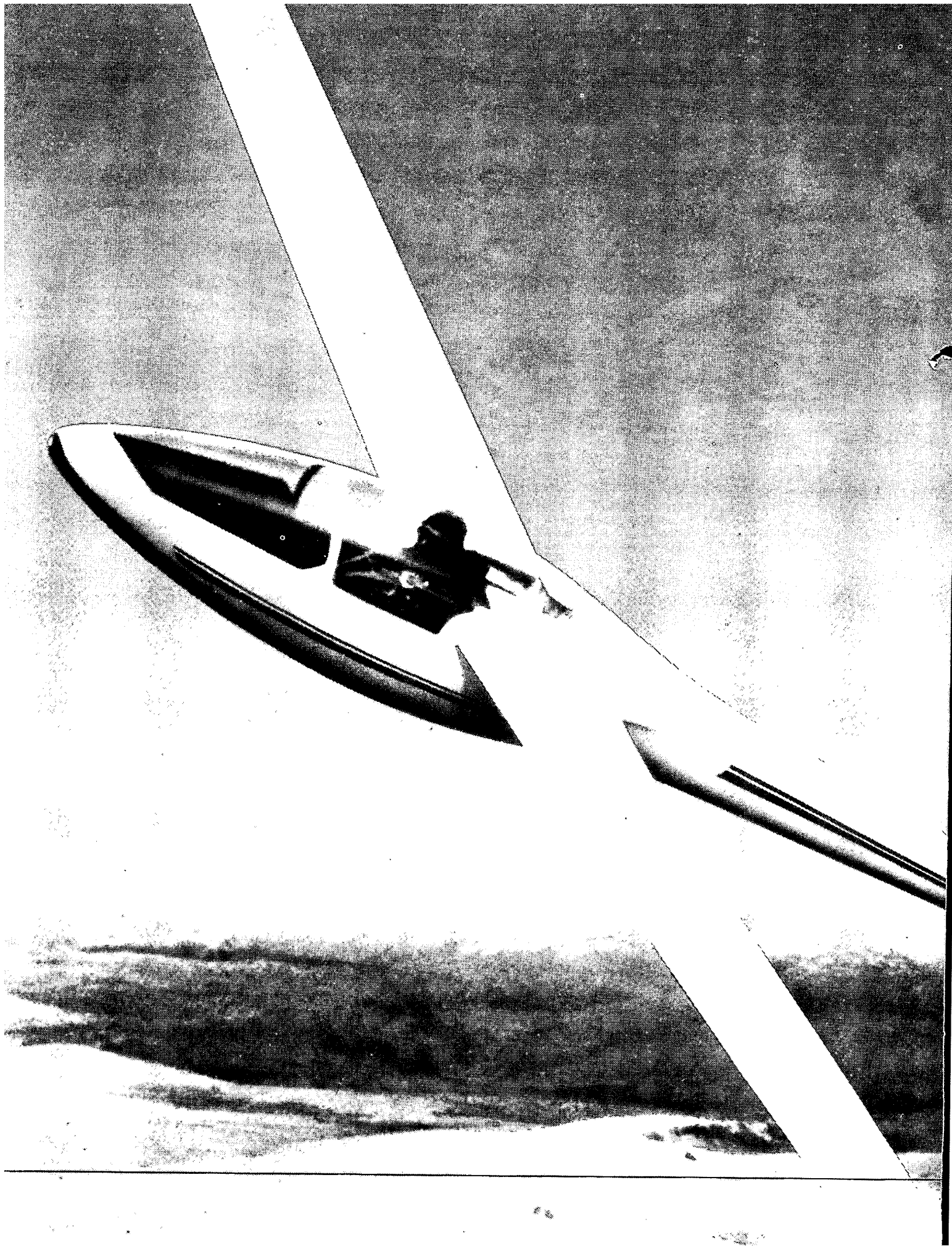
Write to us, or phone. Tell us what interests you. We will send you more detailed information about opportunities in the firm.

Free.

Dick Shervington, Price Waterhouse & Co.,
Southwark Towers, 32 London Bridge Street,
London SE1. Tel: 01-407 8989.

Name _____	A/11
Address _____	
Tel. No. _____	
I am interested in working in	
UK ☐ Continental Europe ☐ Ireland ☐ Elsewhere ☐	
and would like to specialise in	
Audit ☐ Tax ☐ Management Consultancy ☐ Insolvency ☐	

**Price
Waterhouse**



FARNHAM/FARNBOROUGH. - Substantial provincial firm requires a partner's assistant who enjoys both audit and general practice work. Salary negotiable. - Apply Staff Partner, Sheen Stickland & Co, 4 Downing Street, Farnham, Surrey. Tel. Farnham (0252) 716434 or Farnborough (0252) 41244.

FINCHLEY PRACTICE wants 3 semi-seniors - minimum two years' experience. Good training on audit, tax and accountancy - competitive salaries paid. - Brian Ingram Associates, 01-458 5313.

FOSTER, WIGGINS & CO

Certified Accountants

require

TAXATION SENIORS

and

SEMI-SENIORS

For a separate department dealing with personal and business taxation. Persons with some professional office experience are preferred.

Prospects for the right senior to assume full control of the department and progress to technical tax planning and control. Competitive salaries are offered, with good working conditions in the centre of Oxford.

Please write giving full details of qualifications and experience to:

Gary Brewerton
Foster, Wiggins & Co
121 High Street
Oxford OX1 4ED

LONDON ACCOUNTANT in sole practice requires assistant to produce accounts from incomplete records. This is an expanding practice offering a good salary for person experienced by background or qualification. - Send details to Box LA 2899.

MEDIUM FIRM of certified accountants, Harrow Road, London NW10, require semi-senior audit clerk with ability to work with the minimum of supervision on incomplete records and taxation. Good salary and opportunity. - Apply Personnel 01-969 9411.

NEWLY QUALIFIED ACCOUNTANTS to £7,000. We are a medium-sized firm of Chartered Accountants in the West End and as a result of rapid expansion require newly Qualified accountants to assist the partners in maintaining our record of providing clients with all-round financial services. Successful applicants will have the opportunity to broaden their experience in audit, accountancy, taxation and other professional services. - Phone or write to Auerbach Hope & Co (Ref DH/1AR) 58/60 Berners Street, London W1P 4JS. Tel. 01-437 4121.

NORTH LONDON. - Permanent position for a semi-senior/senior accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. - Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

OFFICE MANAGER

Not Necessarily Qualified

Required by Chartered Accountants with offices adjacent to Harrow Metropolitan Line Station. Experience of finalisation of accounts and staff organisation essential. Non-contributory pension scheme after one year. Salary c. £6,500. - Apply to The Staff Partner 01-427 2876.

NEWLY QUALIFIED CHARTERED ACCOUNTANT required by small firm in Central London to service a varied selection of public and private company accounts, providing a full range of professional services. Candidates will be required to undertake a reasonable amount of travel, to deal directly with clients, act on their own initiative and accept full responsibility for a block of audits. Generous salary and car provided. Forty hours paid C.P.E. per annum. Four weeks holiday. Excellent prospects. Please send brief personal details, including a day-time telephone number, if possible, to Stanley Holmes & Co. - Box NQ 7133.

PARTNERSHIP - ALDERSHOT. Chartered accountant needed to assist a partner in an established and growing firm with branches in other parts of the U.K. and associates overseas. Interesting and rewarding work which will include the allocation of a portfolio of clients to the successful applicant and the management of a small number of staff. We are looking to appoint the successful applicant as a partner on January 1st, 1981, as a full equity and profit sharing partner in the whole firm. Salary: Negotiable. - Please contact D. A. Turnbull, Turnbull and Co, 17/19 High Street, Aldershot, Hants. Telephone Aldershot (0252) 27666.

PARTNERSHIP PROSPECTS with North Notts practice. Person with 2/3 years' post-qualifying experience required. Wide range of clients. Pleasant area. - State full particulars and salary required to Box PP 2900.

PARTNERSHIP - WORTHING. Chartered accountant needed to assist a partner in an established and growing firm with branches in other parts of the U.K. and associates overseas. Interesting and rewarding work which will include the allocation of a portfolio of clients to the successful applicant and the management of a small number of staff. We are looking to appoint the successful applicant as a partner on January 1st, 1981, as a full equity and profit sharing partner in the whole firm. Salary: Negotiable. - Please contact S. Goodhand, Turnbull and Co, 71 Portland Road, Worthing, Sussex. Telephone Worthing (0903) 207526.

PERSONAL ASSISTANT senior/semi-senior required by fast-expanding chartered accountants in Euston area. Not necessarily qualified but must be willing to accept responsibility. - Please telephone 01-388 5063.

PERSONAL TAX ASSISTANT

Full- or Part-Time

Required by Chartered Accountants in Harrow. Experience of PAYE, Schedule D and C.G.T. essential. Salary negotiable. - Apply The Staff Partner 01-863 1081.

PERSONAL TAX

Assistant required for Croydon Chartered Accountants expanding personal tax department. Excellent salary negotiable according to ability and experience. Telephone the Staff Partner 01-654 2265 and quote P.T.

PROSPECTIVE PARTNER

Chartered Accountants, in Southall require recently qualified A.C.A. or experienced senior as Manager. Ability to work on own initiative. Partnership prospects after twelve months. Initial salary £7,500. - Apply Mr Jolly, Jolly & Co, 86A High Street, Southall, Middlesex. Telephone 01-571 1066.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6357.

ROMFORD. - Chartered accountants require experienced, full- or part-time audit, accounts and tax staff. - Full details of experience and age to Box RC 6365.

SEMI-SENIOR ARTICLED CLERK, minimum two years' experience in a small office and seeking wider experience required by London W1 firm. Basic understanding of book-keeping and auditing essential. Attractive salary. - Tel. Staff Partner 01-580 2914.

SEMI-SENIOR OR JUNIOR for small office, London NW11. - Please apply Box SS 2901.

SENIORS - NEWLY QUALIFIED

Westbury, Schotness & Co, Holborn, require Seniors to work closely with partners and to take charge of the larger audits. Interesting work involving audit, accountancy and taxation experience. Salary up to £7,000 p.a. (finalists considered). - Telephone D. Conway or P. Klinger on 01-242 7272.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

ST ALBANS chartered accountants require experienced senior/semi-senior staff for pleasant new offices. - Apply to Staff Partner, Freeman & Baker, Vintry House, 3a High Street, St Albans, Tel. St Albans 61335.

TAX. - A senior required by C.A.s, London NW, at a good salary wishing to specialise and/or take charge of a small tax department with several substantial cases. Definite partnership prospects if qualified. - Write Box TA 2881.

THREE-PARTNER FIRM of C.A.s, London W1, require a young chartered accountant with experience and flair for a small practice offering a wide range of personal advice and professional service. Responsible position with excellent prospects. Salary from £7,500. - Tel. Staff Partner 01-580 2914.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. - 01-405 4457.

WEST COUNTRY CHARTERED ACCOUNTANTS require senior assistant (not necessarily qualified) as assistant to partner. The applicant must have small practice experience in preparing accounts from incomplete records, taxation, etc. Opportunity to join progressive firm with five offices. Salary negotiable. Pension scheme. - Apply: K. A. Symons, Lentells, 23 High Street, Taunton, Somerset. Telephone Taunton 86274.

WEST END chartered accountants require senior and semi-senior audit staff. Good salary and prospects are offered for the right applicants. - Box WE 2889.

TRAINING CONTRACTS

ARTICLES/TRANSFERS from £3,250. - Pembroke & Pembroke operate a national service. - Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CHARTERED ACCOUNTANTS at Cricklewood, London NW2, have vacancy for a suitable student, preferably living locally. Excellent experience available in small office under the personal supervision of the sole principal. - Apply in writing with full personal details to Box CA 2903.

CHARTERED ACCOUNTANTS in Southall, Middlesex, urgently require an articled clerk who has completed Foundation Course S.C. N.A.C.C.A. student also considered. Excellent working conditions and prospects. - Please telephone Mr Jolly, 01-571 1066.

TRAINING CONTRACTS available for suitable candidates in expanding firm of accountants in West End. Candidates must have good grades at 'A' level and have completed their Foundation Course. - Apply Staff Partner, Elliott Norman Jacobs & Co, Argyll House, 246-250 Regent Street, London W1R 5DA.

WEST END CHARTERED ACCOUNTANTS require chartered/certified trainees. Post foundation section II required. Progressive salary, wide experience in small firm with interesting range of clients. - Apply in own handwriting to Box WE 2864.

WEST END CHARTERED ACCOUNTANTS seek articled clerk to work under direct supervision of partners. Transferee considered. - Please write with full details to Box WE 2857.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

THE ACCOUNTANT, October 4th, 1979

GABRIEL DUFFY (CONSULTANCY)

Evenings/weekends Slough 46539

29 Thurloe Street
London SW7 2LQ
01-581 0895

AUDIT MANAGER EC2

c. £11,000

Audit and general practice. Experience of multiple retailers essential. A.C.A., possible partnership prospects in medium-sized firm. Similar post W.C.1.

GENERAL PRACTICE W2

£7,000-£10,000 + +

Qualified or unqualified experienced accountants for West End Office of expanding firm.

NEWLY QUALIFIED WC1

£7,000

Medium-sized practice with offices throughout the Midlands and South seeks Audit Seniors for quoted companies and small businesses. Excellent career development training.

AUDIT MANAGER EC1

to £10,500

Medium-sized practice, reporting to one partner. Audit orientated but tax and other functions involved. Possible partnership medium term. Similar post W.1.

P.A.s to PARTNERS SW1 & EC1

c. £8,000

General Practice and audit of medium-sized companies. Both progressive firms offering good prospects of partnership in the medium term.

AUDIT SUPERVISOR WC1

£8,000

2 years' P.Q.E. or several years' professional experience. Technical competence and good personality essential. Wide range of clients throughout U.K. Medium-sized firm.

CONSULTANTS SW1

c. £9,000 plus car

A.C.A.s to join special projects team in International organisation. Internal audit/Management accounts/Investigations.

TAX SPECIALISATION A.C.A.s/PE2s

To £7,500

Full training given to A.C.A.s without previous tax experience. We can arrange a programme of suitable interviews.

AUDIT MANAGER/SENIORS

IPSWICH

Manager to £9,500. Audit biased Practice and local office of major International firm.

AUDIT SENIOR

OXFORD

To £8,000. 2-3 years' P.Q.E. Possible partnership prospects in medium-sized firm. Generous relocation expenses.

NEWLY QUALIFIEDs

EASTBOURNE

To £8,000. Young A.C.A.s with provincial general practice experience and U.K. tax knowledge for expanding firm. Partnership prospects within three years.

PE2 FINALISTS

ST. ALBANS, HERTS

To £6,500. Finalists or Part-Qualified Seniors for general practice. Progressive, friendly 7-partner firm.

EQUITY PARTNERS

MANCHESTER & OXFORD

To £10,000. National firm. Less immediate partnerships in the Bucks & Berkshire offices of the group.

A.C.A.s/PE2 FINALISTS

SURREY/SUSSEX

£6,750-£8,000. Dynamic, expanding group of Practices. Offices: BEXHILL, BRIGHTON, CROYDON, HORLEY, HORSHAM.

PARTNER DESIGNATE

READING

£8,000-£10,000. Ambitious A.C.A. with min. 2 years' P.Q.E. Age, to mid-Twenties. General Practice/small private cos. Partnership in the medium-term.

WHY WORK IN LONDON?

In Reading we will pay 'London' salaries in our audit department to all grades of qualified accountants. For details ring David Barnes of Edwin Smith and Co, 0734 581956.

WEYBRIDGE/SURREY

Chartered Accountants require ACA for senior position providing interesting and varied experience. Salary commensurate with experience and clear promotion trail.

Pension and life assurance schemes; medical scheme.

Telephone: Walton-on-Thames 23685

POTENTIAL PARTNER

Qualified or near Qualified assistant required. Wide experience of small practice including taxation essential. Potential partnership for suitable candidate. Salary etc negotiable. - Apply in writing to Frost & Co, 82 Station Road, Clacton-on-Sea, Essex CO15 1SP.

Milton Keynes

Well established expanding practice of Chartered Accountants require a qualified manager to take charge of a substantial section of clients with prospects of early partnership for right person. A good salary plus benefits will be negotiated. Write with full details of experience present salary etc to The Senior Partner, Everett Collins and Loosley, 115a, Queensway, Bletchley, Milton Keynes NK2 2DM.

WEYBRIDGE CHARTERED ACCOUNTANTS

Require audit seniors, salary up to £7,000 p.a. and semi-seniors, salary up to £5,500 p.a. - Please write with brief c.v. to Firth Floyd, The Centre, 68 High Street, Weybridge KT13 8BN.

A.C.A./A.C.C.A. COVENTRY

Prospective Partner

required by small practice

Applicants must have an imaginative approach and will be required to take full responsibility for clients and revenue negotiated. Salary and finance, not a limiting factor. - Please apply with full details to Box AC 30784.

£10,000 MORE OR LESS!

SENIOR £10,000 8 ptrnr. W1. Up to 2 yrs. post qual. exper.
MANAGER £9,000+ 10 ptrnr. W1. Unqual. with supervisory exper.
SENIOR £8,500 4 ptrnr. W1. Meet famous showbiz clients.
P.A. £8,000+ profit share 3 ptrnr. W1. Newly qual. with good audit exp.
PEII £6,000 30 ptrnr. firm. Study leave & course fees & good reviews.
S/SENIOR £5,500 12 ptrnr. W1. Public Co. + large pvt. co. audits.

Blessed & Co

1 NEW BURLINGTON ST. LONDON W1

01-734 5156

WALTON-ON-THAMES

Chartered Accountants require Senior, not necessarily qualified, for Walton office. Interesting and varied experience available. Salaries commensurate with experience and clear promotion trial. Pension and life assurance scheme; medical scheme.

Telephone: Walton-on-Thames 23685.



Topcare Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

TAX

MANAGER, EC4 £12,000+
A qualified well-experienced Company Tax Manager is sought by large City International firm.

NEWLY QUALIFIED

Never before have there been so many openings for newly qualified Accountants wishing to specialise in taxation. First-class firms offer excellent training schemes.

MANAGER, W1 c. £9,000

Well-known medium sized practice requires a Manager for their Personal Tax Dept. Excellent prospects.

ASST. MANAGER, WC1 c. £8,000

Preferably A.T.I.I. To handle predominantly personal tax. Substantial medium-sized firm.

MANAGER, EC4 £10,000

Large International firm seeks experienced person who has obtained his/her tax knowledge with a similar type of firm.

SENIOR, NW10 £8,000 + car

Large leisure industry group seeks an experienced Taxation Accountant to deal with a wide variety of corporate taxation.

SENIOR, WC1 to £8,000

International practice offers an interesting post to a Tax Senior with wide-ranging experience.

SUPERVISOR, EC4 c. £7,500

Our clients seek a lady/gentleman who is able to supervise junior staff as well as handle their own tax cases.

SENIOR, W2 c. £8,500

Previous professional office experience is essential for this post which is with a very friendly medium-sized firm.

SENIOR, WC2 c. £8,000

Large firm. Predominantly personal taxation but some corporate tax knowledge also required.

SENIOR, SW1 £7,000+

Excellent post for someone with a few years' experience who now seeks advancement and wishes to handle their own tax cases.

SENIOR, EC2 c. £7,500

Very large International firm offers excellent prospects for promotion to ambitious Personal Tax Senior.

SEMI-SENIOR, EC2 £6,000+

Opportunity to join an International practice and handle a wide variety of personal taxation.

ASSISTANT, W1 c. £6,000

Good future prospects exist with this small friendly firm in the heart of the West End for someone with at least 2/3 years' personal tax experience.

AUDIT

INSOLVENCY MANAGER, WC2

£15,000 + car

Previous experience in this field essential. Large International practice.

MANAGER, EC1 c. £12,000

Qualified A.C.A. with good managerial experience is sought by this medium-sized firm.

MANAGER, EC1 £11,000+

Our clients are a large firm who seek a qualified person with good knowledge of handling large audits.

NEWLY QUALIFIED

Whether you are seeking to join a large or small firm; to specialise or not; to join a general practice and become an 'all-rounder' or are undecided and want a bit of advice. Just contact us, we know we can help.

SEMI-SENIOR, NW4 c. £5,250

Some professional office experience is essential for this post which is with a small local practice.

SENIOR/SEMI-SENIOR, SW1

to £7,000

Good opportunity to join small/medium-sized West End firm and deal with a wide variety of auditing and accountancy.

SEMI-SENIOR, W1 £5,500

Suitable post for partly qualified A.C.A./A.C.C.A. with small firm.

SENIOR, WC1 to £8,000

Very good opportunity to join this medium-sized practice where there are definite prospects for advancement in the future.

TRUST STAFF

ASST. MANAGER, SW1 c. £7,000

Small friendly firm offers an interesting post to a Trust Senior seeking advancement.

SENIOR, EC1 c. £7,000

Good opportunity to join a medium/large practice where rapid advancement will be offered to the selected candidate.

JUNIOR, EC2 c. £3,000

Suitable post for college leaver or someone with a year or two's experience.

SENIOR, EC4 c. £7,000

Experience in this field which has been gained within the profession is desirable. Medium-sized firm.

SENIOR, SW1 to £7,000

Good knowledge of Trust Book-keeping and accounts is required by this medium/large practice.

PROVINCIAL

AUDIT STAFF

Ashford, Kent - A.C.A. - P/ship prospects.

Aylesbury - Senior, A.C.A. - £6,250

Bedford - N.Q. or finalist - c. £6,000

Bexhill - N.Q., A.C.A. - £8,000

Birmingham - Mngt, A.C.A. - £8,000

Bournemouth - Mngt, A.C.A. - £6,750

Brighton - Mngt/P.A. to Ptn. - c. £9,000

Chester - Seniors - £6,500+

Eastbourne - N.Q., A.C.A. - £8,000

Harrow - A.C.A. - P/ship prospects

High Wycombe - All levels

Kettering - Office Mngt

Lewes - N.Q., A.C.A. - £8,000

Luton - N.Q. or finalist - c. £6,000

Mitcham - Senior - £6,500+

Newbury - P.A. to Ptn. - c. £6,000

Northampton - Senior, A.C.A. - £7,000

Oxford - P/ship prospects - £8,000

St Albans - N.Q. or finalist - c. £6,000

Salisbury - P.A. to Ptn. - c. £9,000

Winchester - P.A. to Ptn. - £8,500+

Worthing - P.A. to Ptn. - £8,500+

TRUST STAFF

Southampton - Administrator. Large firm - c. £6,000

TAXATION STAFF

Aldershot - Tax Mngt. - £High

Bath - Asst./Senior - £4,500+

Birmingham - Personal Tax - £5,000

Enfield - Assist./Senior - £NEG

Harrow - Corp. Tax Assist. - c. £6,500

Liverpool - Personal Tax - £5,500+

Manchester - Personal Tax - £NEG

Thornton Heath - Personal Tax - £NEG

Tunbridge Wells - Personal Tax - £NEG

Worthing - Tax Manager - £High

Yeovil - Assist./Senior - £4,500+

STOP PRESS: Urgent requirements have arisen today for Tax Seniors in Southampton and Bournemouth.

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.



LONDON & HOME COUNTIES

PE2 RESULTS

IF YOU HAVE QUALIFIED, CONGRATULATIONS. NOW IS THE TIME TO CONSIDER A MOVE. YOUR NEXT DECISION WILL PROBABLY AFFECT THE REST OF YOUR LIFE: SO MAKE SURE YOU HAVE THE RIGHT PROFESSIONAL GUIDANCE FIRST. IF YOU HAVE HAD THE MISFORTUNE TO HAVE FAILED YOUR ACTION IS EQUALLY IMPORTANT AND SHOULD BE CONSIDERED WITH EQUAL CAUTION. WHICHEVER CATEGORY YOU ARE IN, WHEREVER YOU WANT TO WORK, GIVE US A RING OR COME IN FOR A CHAT FOR PROFESSIONAL ADVICE ACCOMPANIED BY PRACTICAL ASSISTANCE.

**W1
P.A. TO BE GROOMED FOR PARTNERSHIP £8,500**

A young A.C.A. is required by a partner of this commercially orientated West End firm, to be involved in all aspects of general practice. Excellent partnership prospects for the ambitious.

**EC2
COMPUTER AUDIT £7,000**

Extensive training will be given to someone wishing to specialise in computer auditing. Excellent prospects and benefits are being offered by a medium sized firm seeking newly qualified person.

**W1
NEWLY QUALIFIED £7,000**

Just Qualified? Looking to broaden your experience? This medium sized firm can offer the post qualification experience you are looking for. Public company audits, taxation and CPE training.

**BERKSHIRE
A.C.A. to £9,000**

Work where the real growth is! The senior partner of a Reading firm has lately taken on new clients and is looking for a new right hand who must be able and very ambitious to share the increasing workload of this expanding practice.

**BEDFORDSHIRE
PARTNER £VERY NEG.**

A young qualified man is sought by a sole practitioner unable to bear the strain of an expanding and profitable practice. He needs another partner who must prove himself to have drive, flair and a professional attitude of mind throughout an interim period.

**CITY
AUDIT MANAGER c. £11,000**

To date you are a highly successful Chartered Accountant and have reached Supervisor/assistant manager level. Our clients, a dynamic firm, wish to appoint an Audit Manager who will be well rewarded for hard work and enthusiastic application.

**WC2
SEMI SENIOR, TAX/TRUST £5,500**

If you have had one or two years professional experience in personal tax and/or trust. We can offer you an excellent opportunity to enter a medium sized firm in Holborn. No special qualifications are required for this position; experience and ability are far more important.

**WC1
FINALIST £5,500**

A medium sized firm wish to appoint a newly qualified accountant to take early responsibility on the audit side. If however, you have a first class exam record but have unluckily failed PE2, there is still an opportunity to re-take in a truly professional environment.

**KENT
NEWLY QUALIFIED £6,250+++**

The year ends approach and a leading Tunbridge Wells firm need a newly qualified C.A. to take over a major client portfolio. The work is varied and the experience gained would be very valuable to a C.A. seeking a practising certificate.

**EAST GRINSTEAD
MANAGEMENT c. £6,500**

A classic provincial practice can offer a PE2 finalist or qualified A.C.A. a position where he can utilise his man-management ability as well as his accounting skills. He will co-ordinate the office and also be in charge of a varied portfolio of clients. Age is immaterial, personality and experience crucial.

DUE TO EXPANSION OUR PUBLIC PRACTICE DIVISION HAS MOVED ACROSS THE ROAD. OUR PREVIOUS PREMISES REMAIN THE HOME OF OUR COMMERCIAL & INDUSTRIAL DIVISION.

N.B. LATE NIGHT OPENING 7.00 p.m.

Accountancy Personnel

Halifax House, 62/64 Moorgate, London EC2 01-628 8525

14 Gt. Castle St., Oxford Circus, London W1 01-580 9186

NEWLY OR RECENTLY QUALIFIEDS OR FINALISTS

If you have qualified within the past year or two, or are a PEII finalist expecting to qualify within the reasonably near future, you might care to consider the advantages of joining our clients.

They are a medium-sized City based firm of Chartered Accountants who are experiencing rapid internally generated expansion. They are also actively looking at situations which will give them a greater geographical spread of offices. Because of the expansion programme the future prospects for those joining them now are particularly excellent. They believe in giving full managerial responsibility at an early stage and the chances for further promotion are first class.

The Partners place great emphasis on the provision of first rate technical services for their clients and it is envisaged that successful applicants will have served with firms of repute. The in house training programme is currently being reviewed and developed so that, allied with CPE accredited outside courses, it will be even more comprehensive than at present.

They currently require the following:

ASSISTANT MANAGER

Circa £8,500

For the group dealing with smaller clients where turnovers range from £20,000 to £1,000,000 plus. It is expected that promotion would follow within a year or so to Manager.

SUPERVISING SENIOR

to £7,600

Either recently qualified or a PEII finalist with a good examination record to date. This group deals with medium to large clients. Paid study for PEII students.

SEMI-SENIORS/JUNIORS

to £5,000

Our clients need, due to expansion, semi-seniors and juniors in all sections of their practice. These could be PEII students, article transferees or studying to become Certified Accountants. Paid study leave where required.

Please contact Chris Kuhn

Dennis Chatfield & Associates

TAXATION AND ACCOUNTANCY RECRUITMENT CONSULTANTS
3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET, LONDON EC4Y 0BN
TELEPHONES 01-353 1307/1308, 01-353 5831



READING MANAGER to £8,500 A.C.A. or well experienced

Independent growing practice need capable and ambitious manager to take responsibility for group of clients, also staff supervision and tax negotiation.

Ref. S/96

WESSEX CONSULTANTS
2 PETER STREET, YEOVIL, SOMERSET
TEL: 0935 25996/0935 25183



WATFORD CHARTERED ACCOUNTANTS

require

Newly Qualified Accountant *Circa* £6,500 p.a.

Are you either a recently qualified Chartered Accountant or a high calibre PEII finalist with ambition and enthusiasm, if so you may be considering a move to broaden your technical experience and outlook. We are a friendly medium-sized practice who require a personal assistant for our audit partner designate. Your duties will involve you substantially on the larger audits, together with a limited amount of staff training. A certain amount of travelling will be necessary to our London office.

We have our own in-house computer system and you will be expected to develop clients' management information reports, utilising the computer facilities.

If you feel that you can accept the challenge we are offering your efforts will not go unrewarded. Replies should be addressed to:

The Staff Partner
Chantrey Button, Bone & Co
Monmouth House, 87 The Parade, Watford, Herts
or telephone Watford 25251

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * BOOK-KEEPERS
- * ACCOUNTS CLERKS
- * WAGES CLERKS
- * MACHINE OPERATORS

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION Applicable as from September 1st, 1979

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

	Basic	Concessional
ALL HEADINGS except Situations Wanted		
Minimum covering 5 lines	£6.00	£4.00
per line (5 words) in addition	£1.20	80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines	£4.50	£3.00
per line (5 words) in addition	90p	60p

SEMI-DISPLAYED

All headings:

per single-column cm (minimum 2 cm single-column)	£6.00	£4.00
--	-------	-------

FULLY-DISPLAYED

All headings:

per single-column cm (minimum 5 cm single column)	£6.75	£4.50
--	-------	-------

Box numbers if required – Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

before the deduction of any charges, of the entirety of any property held jointly and passing by survivorship, does not exceed £20,000 (£12,000 where the death was before October 27th, 1977); and

- (iv) the deceased had not at any time an interest in settled property and had not settled any property, nor had he made any gifts of money or other property exceeding £500 in value in all to any one donee within seven years of his death; also he had not made any transfers of value chargeable to capital transfer tax after March 26th, 1974.

In the interests of economy, professional advisers are urged to ensure that form 202 is used whenever appropriate.

Overdue Tax and Overpaid Tax

For the last four years, the Inland Revenue have been allowed to charge interest on overdue tax, even though the taxpayer may be challenging a particular assessment. This remains so in spite of the fact that the taxpayer may have demonstrated that his appeal is genuine (and not a time-wasting device) by taking it to the Commissioners.

The rules in respect of businesses are extremely complicated but, in general terms, interest at 9 per cent is payable from the date the tax becomes due until the actual date of payment. If only part of the tax is in dispute, it is desirable to make a payment of the amount that is not disputed and ask the Inland Revenue to agree to a postponement of the balance. If there is a good cause for this, the Inland Revenue usually behave reasonably, and then interest on this amount may not be payable until the liability is finally agreed.

In respect of tax overpaid, the Inland Revenue are liable to pay interest to the taxpayer, but the rules are not nearly as generous as when the boot is on the other foot. Interest only becomes payable to the taxpayer by the Revenue when repayment is made more than 12 months after the tax year to which it is appropriate, and only then when the amount to be repaid is more than £25.

The Taxation of Benefits

Any manager, higher-paid employee or director is almost certain to be involved in the complex tax rules now in existence relating to the taxation of benefits. Long-term financial planning should not be made on the basis of the current year's law since, as has been announced, the Government has the tax position of employment benefits under review, and changes may well be announced in next April's Budget. There are also the special and more stringent rules for controlling directors and employees earning over £8,500 per annum.

The first general principle is that all benefits with a cash value or which can be turned into money are considered to be part of a person's income and are therefore subject to tax. To give a Christmas bonus instead of extra in the pay packet makes no difference to the tax position; the bonus is part of income. To hand out gift vouchers which can be exchanged for goods in a shop will not get around the tax liability on the value of the vouchers. In respect of certain benefits there are, however, specific rules.

Meals

There is no tax chargeable on the value of meals provided by the employer in staff canteens or restaurants, provided that meals are available for all staff and not some to the exclusion of others. Luncheon vouchers up to 15p per day can be provided without any tax liability.

Where an employee incurs travel expenses including the cost of meals on an employer's business, these, strictly speaking, should be notified to Inland Revenue, although they can then be claimed as a business expense. Such notification can be avoided where it can be shown that the expenses are an actual reimbursement of money laid out, either in actual money terms or on a reasonable set scale.

Loans and mortgages

Since April 1979, concerning those directors and employees who earn over £8,500 per year (£7,500 for 1978-79) tax

is payable if the interest charged by the firm is less than 9 per cent. It becomes payable on the difference between the interest actually paid and 9 per cent — a sum fixed by the Treasury from time to time. This rule does not apply in respect of loans granted for house purchase provided the loan does not exceed £25,000.

As a special concession, loans made at low rates of interest are not caught to the full extent until April 1980. Meanwhile, only half the benefit is subject to tax.

Employees and non-controlling directors under £8,500 per annum are not affected, and loans at low rates can be made without tax penalty.

Cars

For those directors and employees earning over £8,500 per year (arrived at by adding any expenses to the actual salary) the rules about cars are as follows:

- (a) Where business mileage is less than 10 per cent of total mileage done in a year, the employee or director using the car is taxed on 20 per cent of the original market value of the car if it is less than four years old. For the older car, the tax falls on 10 per cent of the original market value.
- (b) Where business mileage is greater than 10 per cent, but less than 25,000 miles per year, the user is taxed on a scale depending on the engine size and cost of the car.
- (c) Where the car is used on business for more than 25,000 miles per year, the scale charges are halved.

It All Depends What You Mean . . .

Last year's denial by the Inland Revenue of the existence of an 'official list' of gross profit percentages circulated to Inspectors of Taxes ('Revenue Report', *The Accountant*, October 12th, 1978, page 476) was received at the time with some scepticism by a number of accountants who had difficulty in equating this denial with their own experience. The Inland Revenue has now qualified this earlier denial following the disclosure, in Accountants Digest No. 81, that 'the main thrust of the Revenue's attack [in the examination of business accounts] is at the credibility of the basic records kept and at the acceptability of the gross profit returned by comparison to other similar local businesses'; and 'the Revenue is above all interested in cash trades, and issues extensive notes on them, indicating what minimum margins can be expected for each trade'.

Last year's announcement, according to the Consultative Committee of Accountancy Bodies, was made at a time when it had been suggested that Inspectors of Taxes had lists of 'acceptable' rates of gross profit for each trade, and one publication purported to reproduce such a list. The assurance quoted in *The Accountant* last year (on CCAB authority) was a condensed version of an assurance then given by the Revenue.

The CCAB statement continues as follows:

'Many practitioners are aware that the Inland Revenue have, for some time, incorporated in guidance notes to Inspectors information about the practice and economics of particular types of business. A further meeting has therefore been held with the Inland Revenue to discuss the nature and contents of this guidance issued to Inspectors. In the course of that meeting the CCAB asked the Inland Revenue to say more about the material supplied to Inspectors, since it is clear that the belief that lists of gross profit margins exist has grown up out of the knowledge of the existence of these guidance notes.'

'The Inland Revenue have explained that the notes they issue cover many types of businesses and are intended to give Inspectors a broad appreciation of the way these businesses operate, including various factors which could affect business results such as wastage and discounting practices. Where it is relevant, information is given about pricing policies and the range of margins commonly obtained on products or groups of products, and advice is given on the interpretation of gross profit rates.'

'Nevertheless, the Inland Revenue now accept that some people may have been misled by the statement which they previously authorised. The statement that "they do not issue lists of official profit percentages" was intended to refer to a list showing a notional gross profit percentage for various types of businesses and which the Inspectors would expect to be achieved for the business concerned. Such lists do not exist, but the guidance notes do include information of this nature, albeit in the form referred to in the two previous paragraphs. Quite apart from this, Inspectors are, of course, at liberty to compile lists based on their own experience.'

'The Inland Revenue state that the main use that the Inspectors make of gross profit rates – and other business ratios – is as part of their review when considering whether to accept accounts without inquiry. One reason for starting an inquiry will be a discrepancy between the gross profit percentage shown by the accounts and the percentage the Inspector would have expected to find in the light of his knowledge of the trade and of local conditions. His judgement may be influenced by information in his guidance notes – and for some trades this will include reference to gross profit rates – but he is expected to reach his own conclusions and rely mainly on his own experience and local knowledge. If an inquiry is started the Inspector will usually want to know more about the

way the business is conducted, but there is no question of applying a single notional gross profit rate and insisting that this rate should have been achieved. The Inspector will have regard to the particular circumstances of the business and should give the taxpayer or his adviser the opportunity to explain any apparent discrepancy.'

'The CCAB have asked the Inland Revenue to publish the guidance notes they issue to Inspectors – or edited versions of them – and the Revenue have undertaken to consider what might be done. The CCAB believe that these notes would be of considerable value to practitioners and would promote greater understanding between the Inland Revenue and accountants, although it is accepted that the published versions could not include those parts relating to procedural guidance to Inspectors.'

CTT on Small Estates

For a number of years, it has been Inland Revenue practice to have a simplified form on which an applicant who is professionally represented can apply for a grant of representation of a small estate. The present form for this purpose is CAP Form 202, consisting of a single sheet; this compares with the 12 pages of the form CAP 200 used in larger estates.

Although the limit for the use of form 202 was raised to £20,000 for deaths occurring after October 26th, 1977, its use has declined and in some 30 per cent of cases form 200 is now being used where form 202 would have been sufficient. This involves unnecessary use of paper and of staff time, both in practitioners' offices and in the Inland Revenue.

The shorter form may be used when:

- (i) the deceased died on or after March 13th, 1975, domiciled in the United Kingdom; and
- (ii) the estate comprises only property which has passed under the deceased's will or intestacy, or by nomination, or beneficially by survivorship; and
- (iii) the whole of the property is situated in the United Kingdom and its gross value (including the gross value,

A MINI COMPUTER SYSTEM
DESIGNED BY
ACCOUNTANTS
USED BY ACCOUNTANTS

- Time Recording
- Incomplete Records
- Company Accounts
- Fees Ledger
- Expenses Ledger
- Word Processing

This system is used throughout the UK by small and large firms of accountants, including the offices of two of the country's leading practices. It is available either on a computer on your own premises, or for the smaller practice, as a service offered by several computer bureaux.

Jenson also offer a complete range of commercial systems which will allow you to offer computing services to your clients. These systems include payroll, ledgers, stock control and order entry.

**Jenson Computer Systems Limited, 30 Queen Square,
Bristol, Avon BS1 4ND. Tel: 0272 211127**

**For further information ring
Paul Williams or Brian Johnson.**

vast majority of its members are now engaged in industry or commerce, rather than in public practice, the same ethical considerations continue to apply.

It must be asked, however, whether the foregoing considerations continue to be relevant. In some respects obviously they do not. For example, the employed accountant is not directly concerned with rules relating to advertising or soliciting business. On the other hand, he may well be reluctant to see any relaxation of these rules, since they are a safeguard of the professional status of which he is quite properly proud.

Professional relationship

It is this status which distinguishes him, no matter how nebulously, from his non-professional – or, perhaps, even unprofessional – colleague. The essence of the professional relationship is service in a specialised capacity within the context of obligations and responsibilities imposed by a professional organisation.

In so far as the employed accountant may be regarded as serving only one client, upon whom he is dependent for his salary, his position may be no different from that of the accountant in practice earning fees from a number of clients. To his employer the employed accountant owes the same standards of competence, integrity and judgement: but what of objectivity? His interests are much more patently and intimately those of his employer and he will usually have a contract of service which is much more explicit than that between accountant and client.

If he is to be a good and faithful servant he cannot be impartial; he is involved, and must be biased. The pressures upon him, especially in the smaller proprietary company, may at times be at odds with his professional ethics. The business world is popularly one where ethical considerations are not always paramount, nor is it one which rides high in public esteem. There is no clear line of demarcation between incompetence, misconduct and errors of judgement, and notorious instances of all three are not hard to find.

True and fair

Fundamental to the professional ethics of the accountant is the notion of what is true and fair. Like jesting Pilate we may question the nature of truth – and fairness may be no more than a point of

view. However, the preparation of accounting statements, whether for internal or external use, must obviously avoid error, deception and misrepresentation.

The employed accountant has the great advantage of knowing the intended use of his information and so has a much more precise notion of what is, or is not, germane. His truth and his fairness are more narrowly circumscribed, there being less scope for ambiguity or recklessness within the time span between information and decision. Also, his relationships with those to whom he reports are that much more immediate.

He must design his accounting systems in accordance with certain accounting policies. These will stem partly from generally accepted accounting principles, partly from accounting standards relevant to the business in which he serves, and partly from the organisational demands of the business itself and those responsible for its management. He is bound to exert his knowledge and skill to the utmost in discharging his responsibilities as he sees them – the distinguishing feature of the professional is that he should be free to so act without interference within the terms of his employment. If he finds these terms are so restrictive that he is unable to provide the standard of service which he regards as his professional duty, he has no option but to seek employment elsewhere.

Matter of concern

He has a standard to maintain and this he owes both to himself and to his professional association. His efficiency should be dependent upon neither reward nor working conditions, and so long as he holds any given appointment he is subject to the same standards as are appropriate between practitioner and client.

There are certain areas in which adherence to these standards may become a matter of concern. For example, the distinction between tax avoidance and tax evasion is one which not all businessmen are anxious to clarify. The accountant may sometimes have to weigh the balance between his responsibilities to his employer and to his profession, and to act accordingly.

He will be in possession of confidential information as to results and plans, and inside information of all kinds – here his personal and professional interests may be in conflict. He may be a member

of a trade union or staff association, and in the event of industrial action may be only too painfully aware of divided loyalties. If the kitchen gets too hot, of course, he is not obliged to stay. If he does, however, he will have to reconcile demands made upon him by his employer, his profession and his dependants, but most of all upon himself.

Ethical standards

If this reconciliation leads to a failure to uphold the ethical standards of his profession, he cannot expect his professional association, as the repository of those standards, to turn a blind eye. Subjection to disciplinary procedures is the consideration for professional status, and they are the means by which standards are upheld.

Even where an employer has suffered a financial loss against which he is insured through a fidelity bond or professional indemnity policy, he may well wish to make a formal complaint to the body of which the employee is a member. And it is the responsibility of that body to take whatever disciplinary action it may think fit having regard to all the circumstances of the case. Where some criminal offence has been committed, this will usually take the form of exclusion from membership. And, in a different category altogether, this penalty is also exacted from members who default in payment of their subscriptions. It still represents, in professional terms, the ultimate deterrent.

Even this, however, is possibly a less powerful deterrent in the case of the employed accountant than in the case of the accountant who requires a practising certificate. The cynic might say that a professional qualification is necessary to secure an appointment, but not to keep it. Why, then, should the employed accountant seek such a qualification, or why should there exist professional bodies catering exclusively for his particular interests?

The answer must be, quite simply, in professional status, characterised by an acceptance of obligations over and above those incorporated in a contract of service – obligations which are in the long run the nearest to a guarantee of competence and integrity. The student accountant is doing much more than preparing for examinations – he, or she, is preparing for a professional career, and must be prepared to undertake obligations as well as enjoy benefits.

to buy them back. But he had forgotten that part of the integrated program on the sales ledger was concerned with the royalties due to authors and, just as he was signing a cheque to buy back the books sent in error, the computer was preparing a cheque for the author, giving him royalties on the record sales of his book for the last year!

Epilogue

Truth is stranger than fiction, and, by the time your contributor came to check the proofs of this article, there had been one further development in the saga of the bookseller and the publisher.

The bookseller, having received a cheque from the publisher for the repurchase of the books, duly returned them all. On

arrival at the warehouse, another agreed program must have been initiated, because he then received a full credit note for the trade value. The bookseller ignored this, but when it later emerged as a credit balance on the statement at the month end, he was moved to ask for a cheque – and got it!

He is a very honest bookseller: instead of cashing the cheque, he sent it back to the managing director of the publishing house with an accompanying comment. He actually got more pleasure from that, he said, than paying the cheque into the bank account.

So have no fears of having to attend the Job Centre, dear reader. There will always be a need for some executive to be around – at best to sign the maintenance agreements, and at worst to pull the plugs out.

Professional Ethics and the Employed Accountant

by R. H. S. BEACHAM, BCom, BSc(Econ), FSCA, MBIM

Joint Executive Director,
Society of Company and Commercial Accountants



There have been many attempts to define a profession, none of which is wholly acceptable, and the problem becomes increasingly intractable as the number of specialisms claiming professional status also increases. The word *professional* has become even more debased, and is now used most frequently to describe a person who earns a livelihood from exercising some particular knowledge or skill, as distinct from the amateur who does it, whatever *it* is, just for fun. As applied to boxers and accountants, for instance, *professional* has rather different meanings.

Formal requirements

Let us confine ourselves, therefore, to the more traditional idea of a profession as being represented by one or more associations to which admission may be gained only after a period of education and training and the satisfying of certain formal requirements. These associations

thus become the embodiment of professional expertise and status exercising control over their members in the interests of those whom they serve in addition to – or even, rather than – those who are the members.

Professional status derives not from the law – although statutory recognition or approval may often be required in the public interest – but from the standard of behaviour imposed by the professional bodies and their disciplinary procedures.

In a society which appears to be obsessed with egalitarianism, professional status might be regarded as reflecting a 'holier-than-thou' attitude which makes some more equal than others. In fact, such status is the result of processes which seek to set standards of competence, objectivity, integrity and judgement – the hall-marks of the professional person.

As new professions developed, so did they absorb the standards of the old – such as medicine and the law – where

the relationship between practitioner and client was essentially a personal one. From these origins spring the code of honour which binds the professional to his client's interests so far as they do not conflict with the requirements of the law or the dictates of conventional social morality.

Implications

Such a relationship clearly exists between doctor and patient and solicitor and client. To a great extent it exists also between accountant and client, though the client may be a person only in the legal sense, as in the case of a limited company. The accountancy profession was founded on this relationship, with all its implications for confidentiality and social responsibility. And although the

You'll Never Be Redundant

predicts F. A. J. COULDERY, FCA, FCCA, FCIS
Senior Lecturer in Accounting, Brighton Polytechnic

There can be few readers who have not wondered whether they have left it too late to make a successful career in accountancy. As each fresh facet of computer operation comes to light, one must suffer some doubts as to whether a human being is not some relic from the age of steam engines and punched-card accounting machines. Isn't a micro-processor going to find the answers quicker and cheaper than an assistant accountant?

One must admit that the uses of computers seem to grow daily, and their speed of calculating is impressive; but somehow they always seem to need a human being around. The automatic factory or office may be just around the corner, but somehow it seems to be stopping there.

The reasons are not hard to find. As the late President Truman used to say, you no sooner get both ends to meet than some fool comes along and moves one of the ends!

Watch your widgets

For example, if you have a factory, a production schedule, a warehousing cost, an office cost, a price list, a good knowledge of mathematics and preferably a computer as well, it isn't difficult to work out the economic order quantity (EOQ) for each item of raw materials. It's a process which drives suppliers to drink, because it results in putting in orders for 567 widgets when they would normally come packed in crates of a thousand. But the computer, left to itself, would happily re-order month after month, not realising that widgets are going to be phased out next year, or that the last issue from stores was to the scrap merchant to clear the shelf space.

The human being is just that little bit more crafty than electronic gadgets, too. One Electricity Board realised that there were quite a lot of its customers who never paid their quarterly account until they had been sent a reminder and final notice. Tempting as it was to dispense with the ordinary account and only use red-printed stationery, the Board resisted this option and merely amended its program so that customers who had only paid on the final notice on the last three occasions were sent their final notice a week sooner than before. It resulted in quite a speeding up of cash collections and hence savings in cost – until staff had to be put on the job of answering complaints by a vociferous minority who wanted to know why they weren't getting a month's credit any longer.

Paper makers have already set up a few monuments (they call them 'mills') to the computer industry, because the introduction of computers ranks second only to the replacement of bell-punch tickets by ticket-printing machines on buses as the event which most boosted their sales.

In education today there is a monster lurking in the background called CAMOL – Computer Assisted Management Of Learning. It is a scheme still in its infancy but backed by government resources and obviously directed to the reduction and eventual elimination of teaching staff. At the moment, the

theory is that one feeds in the results of successive tests, and the computer then works out which students are doing well and where the others are falling down.

In the last academic year, your contributor got involved in this and was asked to supply test results for incorporation into the scheme for one group. He did this several times in the term, but was careful to keep a summary of the information. At the end of term, his A4 sheet of paper on the file showed that two students were hopeless and four were very weak; the two left the course and the four got a shake-up. At the end of the academic year (ie, two terms later) the computer produced a print-out some 25 feet long confirming that the work of the six students was below par.

Most businesses seem to get involved in some radical changes from time to time, or at least the thoughts of changes. 'What would be the effect of changing from oil to gas?' or 'How much would it cost to shut down Factory No 7 and buy in the components it produces?' are the sort of questions arising. It can be quite satisfying to produce the answer in six weeks, knowing that it would have taken six months to program the computer to understand what was needed.

It is surprising how machines can compound errors. A simple slip becomes so involved that it needs several senior executives to untangle the resulting mess.

Last year, a bookseller ordered some books from a publisher. [Neither party was Gee & Co! – EDITOR.] The bookseller correctly quoted the standard book number (SBN) which is now used as a nation-wide stock number by the book trade. Unfortunately, the order clerk managed to mangle the SBN so that the bookseller got the wrong books – and was invoiced for the books he had been sent, not the ones he had ordered. (These integrated systems have a lot to answer for.)

Not having any customers for the books he had been sent but had not ordered, he didn't pay for them. Instead he sent a letter of complaint. What went wrong here is not easy to understand, but no action was taken on the complaint. The bookseller again complained to the publisher and asked for the goods to be collected. They weren't.

Unsolicited goods

Meanwhile the computer was happily chuntering away on its agreed program. The bookseller was sent a letter warning that the account was overdue for payment and further supplies would be stopped until the invoice was paid. The bookseller retaliated by quoting the Unsolicited Goods Act, and pointed out that by either method of reckoning (one month after a request for collection, or six months with no request for collection) the books in question were now his property. Did the publisher want to buy them back, or should he dispose of them locally?

After some acrimonious telephone calls, the publisher agreed

Qualifications? Let the experts help you to success

The School of Accountancy have been specialising in preparing candidates for examinations for 65 years. You can benefit from this wealth of experience – either to make sure of success in ACA Exams if you are a student – or to add a second string to your bow if you have already qualified.

ACA Examinations

We are in a unique position to give you the best help available. You will enter your examinations completely prepared and confident of adding to the 30,000 Chartered Accountants that SOA has helped to success.

Institute of Accounting Staff Examinations

We have courses available now for this important new qualification – sponsored by the Association of Certified Accountants for junior and technician staff in offices of practising accountants, commerce, industry or government.

Further Qualifications

A second qualification to add to your ACA will give you even better career prospects. SOA offers highly successful courses for all leading examinations, including ACMA, ACCA, etc.

An ATII will be of great benefit if your special interest is taxation – but the examination of the Institute of Taxation sets a demanding standard. SOA students consistently score success thanks to the clear, comprehensive and up-to-date course material.

Your SOA Course

Whichever course suits your objectives, you will receive personal tuition from experts – backed by concise material which is clearly presented and easy to assimilate. You will be able to study at home – at whatever time and pace suits you best. And you will be on your way to success – like thousands of other SOA students!

POST THE COUPON TODAY FOR FULL DETAILS



**The School of Accountancy
& Business Studies** EST. 1910

The School of Accountancy & Business Studies,
Dept M754 or Dept M754
Intertext House, Intertext House,
Stewarts Road, 341 Argyle Street,
London SW8 4UJ. Glasgow G2 8LW.
Tel. 01-622 9911. Tel. 041-221 2926
or Dept M754 Fox House 37 College Green Dublin Tel 712454
Please send me full details, without obligation, about your courses for:

Name
Address

*Accredited by the Council for the Accreditation of Correspondence Colleges.
Member of the Association of British Correspondence Colleges.*

ASSOCIATION OF COST & EXECUTIVE ACCOUNTANTS

Examinations are held in June and December
Exemption is granted on a subject-for-subject basis

F.C.E.A. (FELLOW)
A.C.E.A. (ASSOCIATE)

*Members can designate themselves as
'Incorporated Executive Accountant'*

For full details of membership and

T.C.A. (Technician in Costing & Accounting)
Dip. E.F. (Diploma in Executive Finance for non accountants)
C.M.A. (Certificate in Management Accountancy)
Dip. E.M.A. (Diploma in Executive & Management Accountancy)

Write, giving age, qualifications and experience to:

Sushil K. Das Gupta, B.Com, LL.B, ACIS, AMBIM, FCEA, APMI

The Secretary-General

The Association of Cost & Executive Accountants

330 Holloway Road London N7 6NJ

Telegraphic Address: TACEA London N7. Telex: 23411. Telephone: 01-609 4195

HAVE YOU CLIENTS EMIGRATING?

U.K. Exchange Control regulations affecting the potential emigrant are an essential part of our business. Careful financial planning, before and after redesignation, is of equal importance to the client, and Hambros in Guernsey provide a full range of services utilising the Islands unique situation.

Please write for further information to:-
Mr. A.G. Taylor, Director.

**HAMBROS BANK
(GUERNSEY) LIMITED**

P.O. Box 6, St. Peter Port,
Guernsey, Channel Islands.
Telephone: 0481 26521
INTERNATIONAL BANKERS

Copies of the latest balance sheet and
accounts are available upon request.



to provide loans (if requested) to cover the cost of any insulation work needed. Several of the more far-seeing utilities have in fact been offering this service for many years, and have experienced little difficulty in identifying the most urgent needs of their customers and in including the loan charges as part of their normal monthly billing procedure. At times, they have been calling upon their accountants to assist them in designing and carrying out their evaluations.

Although this approach has the advantage of putting the emphasis on effectiveness rather than expense, critics have argued that the utility companies are much more interested in selling electricity and gas than in saving it; distributors of heating oil have not even been asked to set up a parallel system for their customers. In line with this conten-

tion, Senator Bill Bradley, a newly-elected Democrat from New Jersey who has become active in energy matters, has recently propounded a scheme under which the Government would pay conservation contractors for work done – but on the basis of the energy saved, not the money spent. This could raise the cost-effectiveness of the programme, and should greatly benefit the homeowner, in that the cost would be recorded from the utility company rather than from all taxpayers.

This and similar schemes would relieve the IRS of the enforcement problems of the new credits. Like the windfall profit tax that is now working its way through the Congress, it would call for considerable expertise in energy matters on the part of the independent auditor.

Canada's Taxes and Inflation Relief

by RENNY ENGLEBERT in Canada

Following a tradition which has extended over 30 years, a Joint Committee on Taxation of the Canadian Institute of Chartered Accountants and the Canadian Bar Association has presented its annual brief to the Federal Ministers of Finance and National Revenue.

The bulk of the 286-page document is technical comment on the Income Tax Act and its administration and points out discrepancies between intent and application.

A fundamental recommendation is that the tax system should not delay further in providing for inflation relief in the measurement of capital gains and recaptured capital cost allowances while the accounting and business communities and government work for solutions for better financial reporting.

For the first time the Brief devotes a section with seventeen recommendations to the taxation of charitable donations and organizations, pointing out anomalies in the tax status of public and private charitable foundations.

Business Loss Carryovers also came in for some recommendations. Business losses form part of non-capital losses that may be carried back one year and

forward for five years, subject to restrictions on continuity of business and control, to be applied against profits earned in those years.

The Brief notes that in the United States a net operating loss may be carried back three years and to the extent not utilised to offset taxable profits in those years may be carried forward up to seven years. In the United Kingdom, losses incurred may be carried back one year and forward indefinitely. Losses created as a result of first year capital allowances may be carried back three years.

Against this background the Committee recommended that the carryover period should be extended in Canada both forward and backward.

Comments on the administration of the Tax Act focused on the frequent changes and complexity of the present legislation. Recommendations included a provision that Revenue give more detail upon making an assessment or reassessment and that the taxpayer be given a statutory right to file an amended return at any time up to four years from the date of the original assessment. It was also suggested that regulations be issued more promptly.

Growth in Electronics

The European electronics industry will grow by 14 per cent a year over the next three years according to a report by Gnostic Concepts, US consultants. It says the UK industry's growth rate will be lower than the European average at 12.8 per cent, but that both will exceed the US rate of 10 per cent. Important sectors – telecommunications, consumer, military and industrial electronics, electronic data processing and components – show higher growth in Europe than the US. Only in office equipment is the US forecast to be higher. Three main west European countries – West Germany, France and the UK – produce 75 per cent of all electronics, Germany leading with 35 per cent, France 22.8 per cent and the UK 17 per cent.

On telecommunications the report says that European suppliers 'expect a lot' from demand in developing countries but will be under increasing competition from the US and Japan. West Germany, the most advanced market in consumer electronics, is showing signs of saturation.

CICA Paper on Current Values

The 1976 CICA discussion paper on *Current Value Accounting* indicated a need for further research into the practical problems of determining current entry and exit prices. A 1979 Research Department tax force report of the Canadian Institute, *Estimating Current Values: Some Techniques, Problems and Experiences*, has now identified techniques and brought together the practical experience of 36 large companies using them. Topics covered include direct pricing techniques; price indexes; professional valuations; and the problems and difficulties relating to estimating current values for intangible assets, pension liabilities, leases, and natural resource assets.

The Task Force concludes that it is possible to arrive at current value information using the techniques described, but that the effort and costs raise serious questions about the economic justification and practicality of using the techniques on a repeated basis.

New Ways to Make Energy Savings Pay

from EDWARD SYMONDS in the United States

The dog catcher has long been an accepted part of American country life. In Britain (at least in Hertfordshire, and probably elsewhere under the Caravans Act of 1968), the gypsy warden has now appeared on the scene. A new feature of American society could soon be the thermostat snoop, bent on hounding down infringements under President Carter's ruling against settings below 78 degrees in summer or above 65 degrees in winter.

A seemingly much more effective route to energy saving has already been developed in the shape of the credits provided under the Energy Tax Act of 1978, from which six million out of last year's 88 million individual taxpayers found that they could benefit. But the policing of these new credits is proving harder than was foreseen, with the result that assistance may have to be sought from the accounting profession. Novel procedures for energy audits may soon have to be developed.

To the authorities, the tax credits introduced last year appeared innocuous enough, because relatively low ceilings were built into them. Eligible expenditures for energy saving include insulation, weather-stripping, storm windows and other forms of double glazing (but not for second homes, nor for decorative or structural improvements). Tenants as well as owner-occupiers can claim a credit for 15 per cent of the cost of such improvements, but there is a maximum of \$300 per taxpayer.

Inducement

The inducements provided for individuals who are prepared to launch into renewable energy sources are much more generous. A taxpayer can claim 30 per cent of the first \$2,000 that he commits to solar collectors, windmills, geothermal or hydro-electric installations, and 20 per cent of the next \$8,000.

The ceiling here has been set at \$2,200 per taxpayer.

It has not proved a particularly attractive concession, presumably because the technologies are (by definition) unfamiliar, and the costs high in relation to the savings expected. A New Jersey electric power supplier has estimated that a solar hot water system (which will, in any case, have to be supplemented by conventional fuel sources in bad weather) at present costs as much as \$2,600 per home, with a combined hot water and space heating system costing about \$18,000. At these prices, the attraction of a 20-30 per cent credit is distinctly resistible.

Nevertheless, total energy credits received by individual taxpayers last year (under claims for which all expenditures made since April 1977 were eligible) are estimated by the Internal Revenue Service to have exceeded \$600 million. Allowing for the credits that have recently been built into the tax systems of states such as Arizona, California and Colorado, between \$3 and \$4 billion annually of tax expenditures are already being ploughed back into energy conservation. Together with petrol and heating-oil prices nearly double last year's averages, these tax outlays must help to explain why United States oil consumption has this year been running nearly 5 per cent below last year's level.

The financial community has been left in no doubt about the breadth of encouragement that has thus been given to the energy grassroots. Businesses ranging from chimney sweeps and wood-stove manufacturers to the most specialised makers of automatic thermostat controls and computerised air-conditioning systems saw their order books begin to bulge about two years ago, when plans for the tax credits were first made public.

Some of the devices now being developed – depending, for instance, on

the use of waste heat thrown off by electric lights, and thus requiring office blocks to have many of their lights left on at night – are so complex that they require specially-trained maintenance staff to keep them operating and many years to recoup the investment. Companies such as Honeywell have designed a new set of controls to prevent hotel guests from simultaneously wasting the heating and cooling laid on in their rooms, and to cut back the temperature of the hot water supply and the amount of lighting supplied in hallways and other little-used parts of the building.

On a more homely level, Owens-Corning Fibreglas has estimated that last year five million American attics were reinsulated – twice the usual number. Based on results such as these, a new study by Resources for the Future, a foundation-supported Washington research group, foresees a levelling-out in residential uses of energy – but a continued healthy growth in the economy as a whole.

Revenue worries

While the drive to save energy does not seem to add any new cause for concern on the outlook for business as a whole, it is breeding a new family of worries for the IRS. On the ground that the credits received average only about \$100 per taxpayer, little official effort has been made to verify the expenditures for which credits are being claimed – although tax advisers have naturally recommended their clients to make sure that they hold on to all receipts from the hardware stores or building merchants. But the Service is beginning to ask itself whether the credits are not encouraging 'gold plating' of simple insulation jobs. It could become a routine matter, for instance, for every homeowner to claim a credit for work done on a newly-acquired house, regardless of how effectively the previous owner might have weather-proofed it. Moreover, the cost-effectiveness of the latest solar and other unconventional devices remains to be demonstrated.

Some experts still prefer an earlier approach, one that was adopted some years ago as part of the effort to make power companies more efficient in their use of fuel, and requiring them to offer free energy audits to their customers and

Current Affairs

Small Firms Welcome New Employment Rules

Proposals for changes in the Employment Protection Act have been welcomed 'with delight' by the Small Business Bureau. The Bureau will be responding fully to the Government's invitation to consultation.

'We feel that the new approach to the onus of proof in unfair dismissal cases, and the requirement that industrial tribunals should take account of the different relationship that exists between employers and employees in small firms, will be of tremendous benefit in encouraging the creation of new jobs in existing small firms', an SBB spokesman said recently. 'The exemption of new firms from the unfair dismissal provisions for the first two years of trading

will add a further boost to the creation of new firms and more jobs'.

The SBB also welcomes as 'a very helpful first step' the increase from 26 to 52 weeks in the qualifying period for an employee to be able to bring a claim for unfair dismissal.

Should Auditors Prognosticate?

The future accountant will have to widen considerably the scope of his work, according to Mr F. Sims, FCA, of Dearden Farrow. Speaking at his firm's recent annual conference in Oxford, he forecast that corporate and public organisations would be made accountable in a wider sense and to a wider audience.

Businesses, he went on, 'will be accountable to society at large for their

contribution to material wealth and for the impact on environment, and to employees for the provision of jobs, rather than just for their contribution to the wealth of their owners. Performance as a measure of return on capital will take a secondary role and the public will expect auditors to take a wider view than merely to represent and protect the rights of capital - ie, shareholders and creditors.'

Mr Sims also felt that the auditor would have to expand his responsibilities by making predictions on a company's future. The audit report 'may well set out the difficulties an enterprise is going to encounter' and establish how far management is aware of material risks and threats.

Guests at the conference included Mr Kenneth Sharp, TD, MA, FCA, Head of the Government Accountancy Service.

THIS IS MY LIFE

Easy Pickings

by An Industrious Accountant

The computer that we installed several years ago has grown and proliferated. It demanded a larger room and a special staff, and frequent time-consuming visits by its London masters. We gave them space, heat, and light, and trained a cohort of our brighter young men to feed its needs. Older men proved less efficient, and we weeded these out after the office manager woke one night screaming that it was trying to eat him.

Costs took to the job readily, being a man who spends his Saturday mornings with his head beside his carburettor and his afternoons reconstructing his TV set; so when the hairy computer chap talked of the application of micro-processors to consumer durables, we took the easy way. Costs was transferred to special computer studies for an indefinite period.

It proved difficult to keep in touch with him afterwards. The London chaps

held regular seminars on developments, and special meetings on our needs, all in the capital, so Costs was back and forth and in and out, and inclined to drop forty-page preliminary reports on our desks as he passed with his travel reimbursement dockets.

Came the day when our internal auditor came to me to report that Costs was now chairman of the local branch of a certain professional society, several of whose London meetings required his presence. His travelling expenses were naturally repaid to him. The IA had a friend in the same branch, and careful scrutiny had established that Costs visited these chaps on the mornings of the computer afternoon meetings - this doubling up his repayments, and frequently including overnight charges.

The IA felt rather sick, not for the few quids fiddled so much as the slick deceiv-

ing of his trusting colleagues. The financial accountant shifted from foot to foot against the bookcase, and muttered 'little by little, that's the end'. I said 'Who has he cheated?' - but the atmosphere was too bleak for the necessary cool judgment, so we fixed a private meeting with Costs for next week.



... inclined to drop forty-page reports on our desks ...

Editor:
M. Barradell, LLB, FCA
151 Strand
London WC2R 1JJ
Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5463

OCTOBER 11th, 1979

In this Issue

498

Gold Help Us

503

Record Attendance in Panama
City: Interamerican Accounting
Association Conference

506

The History of Film Finance
John M. East

508

National 'Taxation' Conference

513

Judicial Precedent

520

Banking on the Future

528

Estimating Yield
Stanley Letchford

Current Affairs 498

This is My Life 500

Accountant Abroad 503

Revenue Report 508

Current Law 513

Reviews 515

Financial Accountant 520

Student Roundabout 526

Notice Board 531

Cover: The complex and precarious world of Film Finance is explored on page 506.

Two Into One

The contents of the Finance (No 2) Act 1979 are now a matter of history but the underlying changes in United Kingdom taxation are profound. Reductions in the rates of income tax and a substantial increase in the rate of value added tax indicate a major move from direct to indirect taxation. This move, if subsequently continued, will considerably affect many areas of tax planning and increasingly transfer the volume of tax collection from the Board of Inland Revenue to the Commissioners of Customs and Excise.

In earlier times, Customs and Excise were primarily concerned with the administration and management of taxes on goods which could be examined, touched and tested. This involved the imposition of duties on alcoholic drinks and tobacco, together with the examination of goods at the place of entry or export.

The Inland Revenue rarely inspected goods, but were concerned with the management and administrative functions based on the examination of accounts, returns and other records. Thus, when carrying out their respective functions, one body was concerned with the examination of accounts and the other with specific goods. This marked distinction between the functions of the two revenue-gathering bodies became less well defined with the introduction of VAT administered by Customs and Excise.

The complexity of VAT has grown considerably since 1973, and Customs officers frequently examine the accounts and records of businesses. This examination must inevitably trespass on the traditional preserves of the Inland Revenue in examining accounts for the purpose of establishing liability to income tax and corporation tax.

Clearly, some duplication of effort must inevitably arise where the same business records are independently investigated by both Customs and the Inland Revenue. Increasingly, there may be areas of co-operation; but many accountants view with understandable alarm the need to deal with two tax-gathering agencies on behalf of the same client.

One obvious solution is to examine the possibility of merging or amalgamating the two tax-gathering departments, or to arrange for a transfer of VAT management from Customs to the Inland Revenue. If this could be achieved, together with some simplification in the VAT regulations, both professional advisers and taxpayers could be relieved of burdens which many find onerous. It may also increase efficiency within the tax-gathering departments by deleting the need for duplicate investigation work and perhaps increasing the yield from taxation generally which a single investigation may produce.



Gold Help Us

Order Order! Above all international order, and one based on gold, is what we need, according to a speech by the Rt Hon Geoffrey Rippon, QC, MP, in the City last week.

He prefaced his plea for constructive international collaboration by stressing the need for flexibility in the government's policies. Cuts in public expenditure, necessary as they are, must be levelled at current consumption rather than long-term investment.

He pointed out that the British Government cannot act alone in weathering what is a global storm. The omens from the International Monetary Conference in Belgrade are not encouraging. There is still no concerted plan to deal with inflation and chronic currency instability.

Mr Rippon, who is not a member of the Government, believes we should adopt the fundamental reform of replacing dollars as the major source of world

reserve with gold – guaranteed deposit accounts at the IMF.

It is high time the 'experts' ceased deluding themselves that gold can be entirely replaced by some form of funny IMF paper money which large sections of the world will not accept as more secure than a commodity which has been valued and hoarded for centuries.

At the very least, he continued, we need a more orderly exchange rate adjustment process, with the IMF exercising greater surveillance and guidance to prevent nations from pursuing selfish goals at the expense of international stability.

Concerted international action is necessary to bring down interest rates. In many countries – including Britain – interest rates are now so high that they are a major factor in fuelling inflation, stifling productive investment, and in fast turning recession into the worst depression of the century.

Management Studies, sets out the challenges of the 80s.

The joint stock limited liability company, he says, is a Victorian idea. How far has its creation run? Professor Tricker points out all the alternative currents: for example, 'Do shareholders exercise power any more? Should control be based on ownership anyway? Are executive directors really accountable? Should there be independent directors and audit committees (1977 White Paper)? Should companies report to a range of stakeholders (*The Corporate Report*)? What about industrial democracy (Bullock Report) or supervisory boards (EEC 5th Directive)? Should directors recognise employee interests as well as shareholders (Companies Bill 1979)?

Insolvency Laws Hold

Enforcement of existing insolvency law is needed together with the improvement of controls within companies, not the imposition of new laws, says the Consultative Committee of Accountancy Bodies.

In their concluding submission to the Cork Committee, just published, the accountancy bodies say that it is surprising how few fundamental changes are required; present law and practice is basically sound and has stood the test of time in varying economic circumstances. In general the law is flexible and works well, but some detailed improvements are required.

They point out that once insolvency of a company becomes chronic, it is very rare for that company to trade into a solvent situation. The pressure for continuation of employment has tended to delay the commencement of formal insolvency, with the result that business arrives at a point of no return. It would often be better for the general body of creditors, and for the employees of the insolvent business, if formal insolvency were speeded up rather than delayed. This is the cause of the often disappointing outcome of insolvency assignments. The accountancy bodies have therefore tried to make proposals which support the present law where that legislation allows for the continuation of some part of a business with proper protection for the administrator.



Sir Kenneth Cork, GBE, FCA, the Lord Mayor of London, is greeted by Mr David Richards, FCA, President of The ICAEW as he arrives for a luncheon held in his honour at Chartered Accountants' Hall last week.

Final Divi on Rolls-Royce Shares

This week's final payment brings to 63.4 pence in the £ the total distribution to ordinary stockholders in the former Rolls-Royce company. At the time of the 1971 collapse, the stock was generally regarded as worthless, and certificates were traded to speculative investors or to souvenir hunters for a few pence each.

The joint liquidators have consistently maintained that it would have been impracticable to identify this element, or to conduct the distribution other than *pari passu* to all shareholders.

How To Manage?

'Corporate governance and accountability' (*The Accountant*, September 6th) will be a major theme of the Institute of Chartered Secretaries annual conference in London on October 15th and 16th. In this month's issue of *Professional Administration*, Professor Bob Tricker, former Director of the Oxford Centre for

Current Affairs

No Comparison?

The proportion of small practitioner members whose practices bring them less than they could reasonably hope to earn as salaried managers continues to increase, according to the ICAEW 1979 Interfirm Comparison. If allowance is made, not only for the work and responsibility attaching to a principal, but also for interest on the cost of financing a practice, nearly *one in three* of this year's participants (186 out of 625) would have made a loss after imputing notional salaries for partners.

Some 2,200 firms have taken part in



The Royal Commission on Legal Services, headed by Sir Henry Benson, GBE, FCA (above), favours the retention both of the distinction between barristers and solicitors and of the solicitors' monopoly of conveyancing for reward. In general, the Commission concluded, legal services in the UK are competently performed and lawyers are not overpaid.

Among recommendations of the two-volume report are the publication of scales of fees for domestic conveyancing; limited advertising of professional services, to enable clients to 'shop around'; adequate minimum salaries for articulated clerks; and the co-option of laymen to committees – though not to the Council itself – of the Law Society.

Shortly after publication of the Commission's report, Sir Henry was named as the first chairman (designate) of the accountancy profession's new joint disciplinary scheme, which becomes effective, subject to Privy Council approval, at the end of this year.

the Comparison since it was inaugurated in 1972, and 80 per cent of the 1979 participants had been involved on one or more previous occasions. The 1979 total entry of 625, however, showed a drop from the 686 who participated last year.

Participants in the 1979 Comparison will have the opportunity of comparing ideas with each other at a seminar to be held this month. Information relating to individual firms is, of course, strictly confidential, and will not be divulged under any circumstances.

October Brings PAYE Rebates

Effects of the Budget reduction in the standard rate of income tax from 33 to 30 per cent, and in the higher rates of tax, will reach wage and salary earners on the first pay-day after October 5th. Tables issued by the Inland Revenue suggest that a single person on national average earnings of approximately £100 weekly will benefit by £51, and a married man by £41, followed in either case by reduced deductions during the balance of the year to April 5th, 1980.

PAYE rebates arising from Budget changes in personal allowances have already been paid in July.

Bringing Companies Up to Date

Doubts whether 'the essentially 19th-century institution' of the joint stock company can meet the needs of the approaching 21st century have led the Oxford Corporate Policy Group to set up a new study into corporate direction, control and governance. The group is headed by Professor R. I. Tricker, MA, FCA, FCMA, JDipMA, Fellow of Nuffield College, Oxford, and Director until recently of the Oxford Management Centre.

'A basic issue in British business', he said last week, 'is to create wealth, organise work and encourage innovation in a society of changed expectations. In directing the public company, the need is to strike a balance between sufficient freedom to act entrepreneurially with acceptable openness, involvement and accountability to those affected.'

'Plenty of panaceas have been paraded. Our study aims to understand

more about the reality of running modern business first.'

The Corporate Policy Group is established as a trust based at Nuffield College. Its trustees include, with Professor Tricker, Sir Campbell Adamson, former Director-General of the CBI, and the Hon. Geoffrey Wilson, BA, FCA, FCMA, JDipMA, chairman of the Hundred Group of London chartered accountants.

'The Profession Must Decide'

The crucial factor in the degree of reliance to be placed on the accounts of small proprietary companies, whether by way of audit or some other examination, must rest with the professional judgment of the examining accountant, Mr Donald Grant, TD, CA, President of the Institute of Chartered Accountants of Scotland, told his Aberdeen members recently. If the law did not require this, the pressures of the market place undoubtedly would.

'The proposals for the reduction of burdens on the proprietary company are no real threat to the services provided by the small practitioner', he said. 'Looked at positively, they can be regarded as an endorsement of the involvement of the small practitioner in the affairs of such companies.'

He welcomed the Government's 'common sense approach' in proposing to implement the EEC Fourth Directive in a manner which would cause the minimum of disruption to existing reporting practices. Inevitably, however, there would be some intrusion of the law into the area of accounting standards, which has previously been the exclusive province of the profession.

The Green Paper *Company Accounting and Disclosure* was featured in a leading article in *The Accountant* of September 13th.

Concern over Industrial Stocks

Action must be taken urgently to curb the nation's rapidly increasing mountain of stock, the Institute of Purchasing and Supply said at an inventory management conference in London last week.

The high cost to industry of financing and housing excessive stocks of raw

Current Affairs

materials and finished goods, deprived industry of cash for re-investment and was a key factor in uncompetitive export pricing.

The Institutes' president, Mr E. B. M. Grubb, chairman of GKN Distributors Ltd, urged management to take positive action to release 'the idle millions tied up in stock' for more constructive purposes. During the three months to the end of July, the book value of manufacturers' and distributors' stocks had risen by £1.98 billion. Maintained over a whole year, this rate would double that for last year. The interest alone in a full year would amount to £1.28 billion.

International statistics on manufacturing industry compiled by the United Nations show an annual UK stock turn of 1.8, compared to 3.1 in Japan, 3 in the USA and West Germany and 2.3 in Australia and Denmark.

'A national stock reduction programme is needed', summed up Mr Grubb, 'to extricate these millions of

pounds of excess stock. By reducing our stock holding to around 25 per cent of the GDP (in 1977 it reached 39 per cent) we would be able, by the early 1980s, to achieve annual savings nationally in the order of £6 billion – the same figure as is calculated to be the total annual revenue from North Sea oil in the first years of the next decade.'

Accounting for Direct Labour

Local authority direct labour departments have been a politically contentious subject in recent years, in consequence not only of allegations from independent construction firms of 'subsidised competition', but also of some well-documented instances of inadequate financial control. Understandably, it is this latter aspect which features prominently in last week's reply by the Institute of Chartered Accountants in

England and Wales to the Department of Environment consultative paper on direct labour accounting.

Major criticisms of the present process are that direct labour organisations are not subject to any 'true and fair' accounting requirement, and are not compelled to produce accounts within a specific time limit. According to the ICAEW paper, both these loopholes should be closed, and DLOs should be subject to the further safeguard of earning an accepted commercial rate of return on the capital employed.

'We welcome the Government's determination to ensure that full and accurate accounting information regarding direct labour should be available to a council when it is taking a decision whether to use such labour and, if so, for what sort of work', the ICAEW paper observes. Copies of the full text are available free on request (sae) from Chartered Accountants' Hall, quoting reference TR 359.

THIS IS MY LIFE

Fair Shares

by An Industrious Accountant

The recent assignment from our managing director, in my startled new role as financial director of Exwyte Ltd, to put a fair price on the little company's shares, has me up the walls. At first glance the valuation exercise seemed straightforward, but since then an occasional odd entry emerges and upsets the normal interpretations.

For example, we have a largish bad debts reserve looming up nastily among the liabilities and clearly indicating a write-down of sundry debtors, which will please Exwyte's chairman as the intending purchaser. By chance, and by my tendency to research backwards, I found that the entry first appeared three years ago, when Ledex Ltd, a private company coincidentally belonging largely to the chairman's brother, went broke. Last year, however, there were signs of recovery and repayment; so the item was reduced by 50 per cent just in time for an

enhanced share price to be quoted to the employees. Unfortunately Ledex has recently plummeted.

It was possibly irrelevant that the senior partner of the valuation experts was the chairman's cousin. I asked him about the item but he smiled serenely and spread his hands, and tabled some woefully pessimistic letters from Ledex.

So I collected some impressive law books and read up control (actual, potential and quasi) and value in the open market if sold to a hypothetical purchaser by a willing seller or otherwise, and perhaps contrariwise in certain market circumstances. That led back to *Salvesen* in 1930 and *Buckleuch* in 1967, and to capital gains tax if relevant. The cousin then explained that the chairman's regrettable refusal to die invalidated all such legal niceties.

Our solicitor said that my books were hopelessly out of date and that counsel's

opinion was essential, as several interpretations were still debatable. Fortunately his young barrister nephew was an expert and would gladly prepare a full report with the alternative valuations as a basis for discussion, prior to approaching the High Court formally. . . .

We'll probably finish by drawing lots.



. . . collected some impressive law books. . .

"Flexi25" For people who want a life policy, not a life sentence.



Scottish Amicable introduced the original Flexidowment to age 65 and now offer Flexidowment for 25 years.

"Flexi 25" for short, by adjusting the life cover for all lives under 40, gives better guaranteed cash values to savers. For those over age 40 looking for additional life cover with their savings plans "Flexi 25" gives the option of a longer term.

At the same time, the new policy retains all the features which made "Flexi 65" so

FLEXIDOWMENT

for 25 years



successful - guaranteed cash values plus bonuses at policy anniversaries from 10th onward - flexibility through the £1 unit of premium - the replacement option and increase options.

If you would like more information about "Flexi 25," the new addition to our flexible policies, please contact your local Scottish Amicable branch or write to the Agency Manager, Scottish Amicable, 150 St. Vincent Street, Glasgow. G2 5NQ.

SCOTTISH AMICABLE

LIFE ASSURANCE SOCIETY

**ASSETS NOW
£100,000,000**



People do better with us

These are our current rates :-

Our policy at Property Owners Building Society is very simple – it is to offer the investor the best possible rate of interest and to ensure that a loan is available to a home-buyer when it's needed.

And we back this up with a prompt, personal service.

We offer a wide choice of savings and investment facilities (almost all paying a better rate of interest than most other societies) and a mortgage service second to none. So you can recommend your clients to come to us – with confidence.

If you would like to know more about us, please write or telephone for our investment and mortgage brochures.

SHARES (for immediate withdrawal)	9.25% equal to 13.21%*
MONTHLY INCOME SHARES (withdrawals at 1 month's notice)	9.25% equal to 13.21%*
SUPERSHARES (withdrawals at 3 month's notice)	9.75% equal to 13.93%*
MONTHLY SAVINGS	10.50% equal to 15.00%*

*with tax paid at 30%

PROPERTY OWNERS BUILDING SOCIETY

4 Cavendish Place, London W1M 0AQ. Tel: 01-637 3041

Member of the Building Societies Association.

A Trustee Society. Total Assets exceed £100 million.

Accounting Standards Study Book

A new, enlarged second edition of this easily understandable commentary on Accounting Standards is now published. The concise yet comprehensive coverage of the subject, with examples and explanations, make the study book essential pre-examination reading.

Few students — or accountants, for that matter — can assimilate the requirements of the Standards without some help — and this the study book gives, by simplified description and the use of questions and answers (the latter are contained in a special ANSWER KEY section).

Accounting Standards are a subject of great importance to the student for they offer many opportunities for examination questions. It's a rich field of topics for the examiner — and this study book and answer key by F. A. J. Couldery, FCA, FCCA, FCIS, will ensure students are well prepared.

There are 100 pages of examples, explanations, specimen questions and fully-worked answers.

To: **GEE & CO (PUBLISHERS) LTD**
151 STRAND, LONDON WC2R 1JJ

Please supply copy/copies of
ACCOUNTING STANDARDS STUDY BOOK at £2.50
plus 30p postage (airmail £1.25)
Remittance enclosed £

Name

Address

.....

A

Record Attendance in Panama City

Interamerican Accounting Association Conference

The XIIIth Interamerican Accounting Association Conference – a major international accounting event – was held recently in Panama City. The 1,200 delegates and 400 guests – the largest number ever to attend any conference in the history of the Association – found themselves confronted with a formidable agenda: under the general theme 'Unification of Accounting Practice in the Americas', 26 selected papers dealt with five main areas: accounting, educational development of the public accountant, professional practice, finance, and information systems.

In the working session on accounting, Mr George J. Staubus, Financial Accounting Standards Board, presented a paper on the Board's proposal for inflation accounting in the United States. He noted that the Board offers a choice to companies, asking them to decide which form of reporting – current cost accounting or general price level accounting – better reflects the effects of changing prices on their operations.

Current cost accounting addresses one type of mismatching: the matching of old costs against current revenues, and the resulting inclusion of holding gains and losses in operating margins. General price level accounting addresses another type of mismatching: the addition and subtraction of units of money with unequal purchasing power. Thus, when the Board asks companies to choose between the two it is asking them to solve their most serious mismatching problem.

Purchasing power

The Board suggests that purchasing power is important to investors as are specific price changes. Neither omitting them from income nor including them in income in their full nominal amounts when realised tells the whole story. The most important information about holding gains and losses may be how movements in the prices of assets

compare with the rate of inflation, and the Board calls for the disclosure of that information. If the prices of the assets just keep pace with inflation, a holding gain of zero is reported according to the Board's proposals.

The Board has proposed an 'inflation accounting' reporting package that reflects a balance between conceptual and pragmatic emphases. The broad view of a conceptual framework which it is developing includes practical criteria, such as cost of accounting and reliability as well as the more 'purely conceptual' criterion known as 'relevance to the decisions made by users'. That broad, multiple criteria theory of accounting may be the Board's biggest contribution to financial reporting in the first decade of its existence.

Educational assistance

Education was covered in a paper by Dr Norlin G. Rueschhoff, PhD, CPA, College of Business Administration, University of Notre Dame, Notre Dame, Indiana, who outlined the steps for a framework for educational assistance for accounting programmes in a given country: outline an assessment of the needs for accountancy education in socio-economic development; analyse the accounting function, setting up a framework for enhancing accounting knowledge, education and practices; assess the curriculum of educational institutions in their role of disseminating accounting 'know-how' in the developing economy; and set up a faculty and development programme, suggesting how assistance may be given in conjunction with local, regional and international educational, institutional and development bodies.

He considered that the outlook for the Latin American accountant is promising and that a variety of services will be required of him in the future. But this expected increase for his professional services requires a corresponding increase

in the number of qualified accountants and the up-grading of university education. Financing accounting studies today must include the newly established international and disclosure standards promulgated by such bodies as the International Accounting Standards Committee.

Macro-accounting or national accounting, sometimes called 'social accounting', is frequently neglected in the accounting curriculum even in developed industrial countries. Attention must be given to this area if developmental plans and projects are to be effective in fostering the goals of society.

Broader education

Faculty exchange among countries could be encouraged and financed by special funding. Faculty members could also be educated in other countries, where appropriate, or by using the educational facilities of international accounting firms, multinational corporations, international associations of accountants and auditors such as the Latin American Institute of Auditing Sciences and the National Association of Accountants, and international development organizations such as the International Monetary Fund Institute.

He concluded by recommending that the IAA propose a model by which the professional institute of each country would establish given educational requirements for professional practice. The model could be used to enhance accounting education and this, in turn, would improve the ability of accountants to perform the societal goals of human advancement.

In the area of professional practice, Mr Robert H. Anderson, associate professor of Administration, University of Regina, Saskatchewan, presented a comprehensive and well researched 76 page study on 'Socio-Economic Auditing'. As corporations become more aware of how their actions affect society and of the increasing demands of society for socially responsible actions, they will require a form of social accounting information that supports their decision making process.

The first 38 pages of his paper dealt with the definition of social responsibility, its growth, and a look at procedures and standards which will

Accountant Abroad

permit the measurement and evaluation of the social effect of economic activities both within the entity in the community and society in which the entity operates. This was followed by a section on the best approach to measuring social responsibility performance and what to measure in programme areas relating to employees, products, the environment and society in general. He predicted that social responsibility accounting will present a great challenge to the external auditor but it will also present a great opportunity to have a part in the development of generally accepted social auditing standards.

The myth that financial audits are hard and precise will certainly lead some auditors into believing that social audits are impractical, that there is nothing to audit. But he reminded his audience that financial audits contain many estimates, subjective judgements and opinions – and 'so will social audits'.

Another paper on 'Operational Auditing' by Mr John G. Sayers, CA, Dunwoody & Company, Toronto, asserted that because standards now exist for all internal auditors, recognition must be made of the unique nature of operational auditing and a completely separate set of standards provided for internal operational auditors. These standards must concern themselves not only with the general problems of operational auditing but also with the unique concerns of the operational auditor in government who may be compelled to overlook inefficiencies so long as a particular programme is meeting or exceeding its desired social objectives. These standards will have to be reviewed and, if necessary, up-dated on a regular basis to reflect changes in both the scope and nature of operational auditing. Once such standards and a review mechanism are in place, the internal operational auditor will be in an excellent position to judge and be judged.

Information systems

In the area of information systems, a paper by Mr Walter L. Chirardelli (Peat, Marwick, Mitchell & Co, New York) covered the performance of the public accountant as consultant for the implementation of an EDP system. The often-voiced objection that in performing such services public accountants impair their

independence has yet to be proved factually correct, he said, following exhaustive research and study on the subject by interested third parties.

An EDP system installation represents a significant investment. Once operational it places a dimension of dependency on the efficiency and reliability of its production far surpassing that of a manual accounting system. The consultant must recognise there is no such thing as a riskless EDP development engagement but whatever risk exists will be minimised by user-management involvement in systems design and implementation, and effective project development controls.

The EDP facility should include operating controls, system integrity, audit trails and reliability checks as original design objectives. The consultant and management must be certain these features are provided for, adequately described and tested. Working closely with management and client personnel, the public accountant can provide direction to accomplish the several tasks necessary to evaluate cost effectiveness of the investment, define objectives, create the detailed design and guide the implementation effort of an EDP system installation. The ultimate measure of success in an engagement of

this nature is the efficient and effective operation of an on-going system without further involvement on the part of the consultant.

In electing Mr John Marshall as president, this is the first time that a Canadian has been so honoured. From 1968 to 1971 he was a partner in the Caribbean and Central American firms of Price Waterhouse & Co and from 1972-77 served on the Latin American Directors Council, being elected its president in 1975. During this period he was the CICA alternate director for Canada of the Interamerican Accounting Association, a member of the Association's Executive Committee, 1974-77, vice-president of the XII Interamerican Accounting Conference in 1977 and elected president that same year. He is currently a partner in the Vancouver office of Price Waterhouse & Co.

Draft EEC Budget Approved

On September 12th EEC Member governments approved a draft budget for 1980 which would result in a transfer of about 1.4 billion units of account (930 million) to the farm sector at the expense of such areas as regional and social policy, energy, research and overseas aid. Although the draft pruned total spending to 16.5 billion units of account from the 17.9 billion units of account proposed by the European Commission, this still represents an increase of nearly 12 per cent over the 1979 budget. To Britain, struggling to reduce its net contribution to the budget, this shift in expenditure marks a step in the wrong direction. Next year, Britain will pay about 20 per cent of total Community revenue while collecting only 10 per cent of its spending. This is largely because 11 billion units of account have had to be set aside for agriculture where, once farm support prices are fixed, spending is automatic. Britain's small farm sector will receive only 7.6 per cent of this money. Some of the cuts, particularly a 350 million units of account reduction in proposed spending on the Community's poorer regions, are likely to be partly restored when the draft goes before the European Parliament.



Mr J. Marshall

Accountant Abroad

UK Rules for Money Dealers

The Bank of England has issued a code of conduct for principals and brokers in the £30 billion sterling money market and a Sterling Brokers Association has been formed along the lines of the Foreign Exchange and Currency Deposit Brokers Association. The code will apply to institutions (building societies, local authorities and industrial companies) which have not been subject to rules written by the Bank. The market also includes banks, brokers, pension funds and insurance companies.

The code rules that:

- (1) The exchange of confidential information about third parties is forbidden.
- (2) The name of a borrower shall be disclosed by a broker only to a lender who seriously intends to deal.
- (3) A principal shall not apply unfair pressure on a broker to pass on information improperly.
- (4) Brokers must not give gifts to principals unless the heads of the principals' money market operation know.
- (5) Principals must exercise 'full control' over their dealers.
- (6) Principals must not use brokers to find out who is in the market in order to deal with them direct.

Enforcement of the code is left to the Bank, but the sanctions open to it are not clear.

EEC Worker Directors Rejected

European Commission proposals for the appointment of worker directors to company boards have been rejected by the European Parliament's legal affairs committee. British Conservatives combined with Christian Democrats and Liberals on the committee to throw out the proposals by 13 votes to nine.

The Commission's plans for introducing the German type of two-tier company boards with equal representation of workers and management has been deferred for further consideration. The issue was due to be debated and voted on at the full session of the Parliament in Strasbourg, in September. The

debate had already been postponed for four months after opposition from the British Conservative group in the previous appointed Parliament.

The Conservative members of the committee said: 'it is vital that whatever Community proposals are made for company organisation, the Commission shall represent a fair compromise of the essential features acceptable in the member states and should not blindly follow the German form of company organisation'.

Bureau of the European Parliament

The President, Vice-Presidents and Group leaders constitute the 'enlarged Bureau' – the executive committee – of the Parliament. Politically, it now comprises six Socialists, five EPP, three Democrats, two Liberals, two Communists, one Progressive Democrat and one Independent. By nationality, five are French, four German, four Italian, two British, two Belgian, one Dutch and one Danish.

The President and Vice-Presidents were elected as follows, at the July meeting of the Parliament:

President:

Simone Veil (Lib/France)

Vice-Presidents:

Marcel Vandewiele (EPP/Belgium)

Guido Gonella (EPP/Italy)

Johann Katzer (EPP/Germany)

Pierre Pflimlin (EPP/France)

Bruno Friedrich (Soc/Germany)

Gerard Jaquet (Soc/France)

Anne Vondeling (Soc/Netherlands)

Basil de Ferranti (Dem/UK)

Mario Zagari (Soc/Italy)

Poul Moller (Dem/Denmark)

Allan Rogers (Soc/UK)

Danielle Demarch (Com/France)

Company Law and EEC

Proposals to bring UK company law more in line with EEC practice have been promised by the Government with the publication of a consultative document covering proposed changes in accounting principles and disclosure regulations. It will outline the relaxation of disclosure rules for 'Proprietary' companies – small companies managed and owned by the same people. The timing

of the paper means that the next Companies Bill, which will implement the EEC's Fourth Directive (the chief instrument for harmonising rules for formation and supervision of companies throughout Europe), is likely to come before the British parliament in autumn next year.

Indian Institute's New Officers

Mr Y. H. Malegam, of Bombay, has been elected President of the Institute of Chartered Accountants of India for 1979–80. The new Vice-President is Mr V. Rajaraman, of New Delhi.

Secretary of the Institute is Mr P. S. Gopalakrishnan, PO Box 7100, Indraprastha Marg, New Delhi 110002.

No Priority for Crown Debts

The Australian Government is to abolish priority for Crown debts except in the taxation area. This decision follows consideration of a report by the Senate Standing Committee on Constitutional and Legal Affairs which had recommended the complete abrogation of all Crown priorities in insolvency administrations.

Announcing the decision, the Federal Minister for Business and Consumer Affairs stated that 'The Government supports uniformity in insolvency administration . . . it also acknowledges the desirability of placing the Crown on an even footing with the private sector so far as is possible'. The Government is also 'to seek the abolition of all remaining Crown priorities in the State sphere'. However, Crown priority will still apply to taxation instalment deductions, and to withholding tax on dividends and interest remitted overseas as it is felt that special considerations apply in relation to these two areas.

Legislation to implement this decision will be introduced as soon as possible. The company law amendments will be designed to provide a more equitable operation of the Companies Acts with regard to the order of payment of debts in a winding-up and a receivership. The Federal Bankruptcy Act and income tax law will also require amendment to give effect to this important decision.

The History of Film Finance

by JOHN M. EAST

Film financing has always been a hazardous business, indulged in by feckless gamblers and wheeler-dealers, intent on making a fortune out of the dream factory.



The first cinematograph show before a paying public was at the Polytechnic, Regent Street, on February 20th, 1896. Soon afterwards, shrewd businessmen started transforming a scientific curiosity into a major commercial form of entertainment.

The rise of the Gaumont British Picture Corporation from one room in Cecil Court, Charing Cross Road – then known as 'Flicker Alley' – to a multi-million-pound empire, remains a romance of modern times. From 1902 one of their directors, Alf Collins, who could neither read nor write, was paid about £3 a week for directing short films. They were shown on music-hall programmes as part of the 'bioscope' (the rest of the programme consisted of 'actuality' subjects, the forerunner of the newsreel) and in 'penny gaffs' on fairgrounds. Described as 'fragments of life' they sold at 4d to 6d per foot of film.

The pioneer Cecil Hepworth's early success, 'Rescued by Rover', released in 1905, cost £7 13s 9d. In 1906 my grandfather's first wife, Leah Marlborough, who played villainesses at studios at Mitcham, Croydon and Brighton, received a record salary of £10 a week.

The year 1910 was a time of transition, when animated pictures were being replaced by full-length features, and an amateur free-for-all was developing into big business. It was the renters (now known as distributors) and exhibitors who made fortunes; Wardour Street became the hub of the industry and cinemas were being built throughout Britain. The Board of Trade figures for 1910 show registration of 306 companies associated with motion pictures, with a capital of £3,035,951.

Poor relation

However, film production was the poor relation of the industry. Taking into account the inordinate time-lag between production and the return of capital from distribution, and the uncontrolled entry of superior films from abroad, the City steadfastly refused to invest in such a speculative venture. Wall Street had no such qualms, and Hollywood became the film capital of the world.

The first large picture theatre company was Provincial Cinematograph Theatres Ltd, which commenced in 1909 with £100,000. Its managing director, Dr R. T. Jupp, expanded rapidly and by 1920 PCT was worth £3 million. When it fell to Gaumont in 1928 it owned 93 cinemas.

The author and his family have been associated with the film industry since 1904; his grandfather, also John M. East (1860–1924) was concerned with building the first UK studios at Borehamwood in 1914. In 1974, the then Sir Lew Grade unveiled a plaque to his memory.

In 1913, PCT launched a film-producing offshoot, London Films, which had a short but successful record. Their film 'The Manxman' cost £20,000; released in 1917 it starred Henry Ainley, Elisabeth Risdon – and John M. East. The company ceased production during the following year, when the directors realised the British public preferred American pictures.

Sir Oswald Stoll did not follow this policy of cutting one's losses: with the backing of a big circuit of variety theatres, he built a studio at Cricklewood and made many films. In seven years he lost over £200,000.

John M. East was determined to promote production in Britain and to compete in the world market. He raised a capital of £40,000, with which Neptune Films was incorporated as a company in January 1914 and built the first UK studios at Borehamwood – the site of the present ATV studios.

Into the dark

Hitherto, studios had made use of an unhappy marriage of natural light (through glass roofing) and electricity. Neptune built the first dark stage in Europe, the precursor of all film and TV studios. Despite issuing some good films, Neptune was crippled by power shortages and conscription of staff during the First World War, and the company was wound up in 1921.

After the war, British films fought vainly for survival; by November 1924 there were no films in production, and many producers crashed, including Cecil Hepworth. British films were woefully deficient in entertainment value and Hollywood productions were in every way superior. Incredible though it may seem, one American company financed bad films in Britain, further to discredit the home product and as part of the take-over bid for the industry.

The Quota Act of 1927 was the means of saving British films from extinction. With a guarantee of a percentage of screen time to British films, many inferior 'quota quickies' were made at an approximate cost of £1 per foot of film. 'Pound-a-footers' became a term of abuse.

Following the pattern of distributors and exhibitors investing in production, Arthur Rank and John Maxwell believed that British production could enjoy lasting success in an industry free of American domination. Maxwell was chairman of Associated British Pictures, launched in 1928 with a capital of £1 million.

In 1934 the success of Alexander Korda's 'The Private Life of Henry VIII' with Charles Laughton started a wave of speculative film making, and the City was temporarily

impressed. By 1938 the industry began to flounder again; distributors were taking 35 to 40 per cent of the box office returns, and losses from the many bad British productions devoured the profits of the good ones. The only films made in Britain which got a release in the USA were those financed by Americans and with Hollywood stars; Warner Brothers had a big cut of Associated British Pictures, and MGM built a studio at Borehamwood.

Film production was severely curtailed during the Second World War, and afterwards there was a breakdown in British production; the Rank Organisation faced such monumental losses that it almost collapsed. It became clear that the Treasury was the only purse which could be opened to keep production going. In 1948 Harold Wilson, then President of the Board of Trade, set up the National Film Finance Corporation – NFFC – because, as he said, 'The industry is facing a stoppage unless financial provision is made available.'

The Corporation, still active today, was initially given a life of five years, by which time, it was hoped, the production industry would have been sufficiently strengthened to stand on its own feet. The Government contributed £5 million, for which a special Bill was enacted. By March 1951 the NFFC had spent over £5½ million on 101 pictures. A £3 million loan to British Lion was to cripple the Corporation for many years.

In 1949 it was agreed that something more than the NFFC was necessary if film production was to survive in Britain. Sir Wildred Eady of the Treasury helped to evolve a British Production Fund, later called the Eady Plan, which allowed a

reduction in entertainment tax and an increase in prices. These concessions were paid for by a farthing drawn from exhibitors on every seat sold (there were exceptions for the smallest cinemas); this produced substantial finance, a proportion of which was given to the producer of the film on show at the cinema.

There have since been adjustments to the original plan which, although devised as a temporary measure, has become a permanent form of government financial support. It is paid out according to box office receipts on all British films that qualify for the quota; the greater the success of a production, the greater the subsidy.

During the 30 years' existence of the NFFC, it has received £9.6 million from the Government and has (to January 1979) incurred a deficiency of £8.6 million. After taking into account running costs and interest payable by the NFFC to the Government, there has been a balance of £2 million. This, on a revolving basis, advanced for film production over £31 million, which has financed 750 features and many shorts. Although one in every three films assisted by the NFFC has made a profit, the NFFC has been seriously under-capitalized, and has not helped big films from among which 'blockbuster' profits have been made.

In August 1975 Sir Harold Wilson, by then Prime Minister, appointed a working party to investigate the plight of the British film industry. This recommended the establishment of a British Film Authority with capital of £20 million to inject into British films, and augmented by a subvention of one-fifth of the total annual yield of the Eady levy. A second report, under the chairmanship of Sir Harold Wilson, published in January 1978, recommended replenishing the funds of the NFFC by £5 million as an interim measure. It would not agree on retaining the quota system, requiring cinemas in the UK to show a percentage of British films or to abolish the Eady levy; it suggested that half the money from Eady should go to box office successes. The rest would subsidize NFFC film production. Luckily for the British film industry (if luck can be expected by an industry in trouble for 70 years) the Department of Trade is going to conduct another inquiry.

Do they need it?

Although British cinema attendances have declined from 1,500 million in 1949 to 107 million in 1977, Eady still collected £6.5 million in 1978. The basic flaw with Eady is it helps films that do not need help; one short, made in Britain by an American company, took some £123,000 of Eady money back to the USA. Some distributors end up with Eady money; they agree to distribute and promote a picture on condition that all rights to the subsidy are assigned to the distributor. One film with an American director and star and Polish and Indian writers qualified for Eady; could it be described as a *British* production?

Should Eady benefit producers of soft porn movies? Sir Harold Wilson wants to stop this sort of thing. Is it a sufficient answer for the producer to claim: 'I employ British artists and technicians. The public enjoys my films. Without Eady money, I would pull out of film production.'

The NFFC is near to insolvency, and without American dollars and Government subsidies the British film industry will perish. Sir Lew Grade said in 1974, 'John M. East made a definitive contribution to the development of the British film industry. His work was not in vain.' Let us hope that Lord Grade, as he is now, will not be disappointed.



The pioneer John M. East (left) in a 1915 parody of a Mack Sennett/Chaplin comedy. Legal proceedings prevented its general release.

National Taxation Conference

Technical Sessions

The 29th National Taxation Conference opened in Harrogate last Friday under the chairmanship of Mr Kenneth Tingley, FCCA, FTII, and with a civic welcome from the Mayor of Harrogate.

Mr C. H. Walker, MA, FCA, took the chair when the business proceedings were opened with a paper on 'Leasing for Tax Saving' by Mr K. S. Carmichael, FCA, FTII.

Having defined the subject-matter and its usual terms, Mr Carmichael went on to identify the benefits to the lessee, including an advantageous cash flow during the early years, a rent less than interest and depreciation on a purchased asset, and freedom from borrowing limits in the articles. The tax relief was immediate and the rental might reflect the 100 per cent first-year allowance obtainable by the lessor. The Finance (No. 2) Act 1979 denied this for cars unless the limits on the duration of use were observed. The lessee might also obtain a rebate of rentals by way of forced saving towards the purchase of another asset or the leasing of a more expensive asset.

Badges of trade

Turning his attention to the lessor, Mr Carmichael referred to the possible higher return on capital; the security of a chattel; classification of income as earned if derived from trade and deferment of tax to later rental years. In the case of individuals, the Inland Revenue had sought to show that the taxpayer was assessable under Case VI of Schedule D. Accordingly the taxpayer had to consider the badges of trade – in particular, his intention, activity and manner of carrying out transactions. The audience were then invited to compare the position of a commercial concern and an individual in relation to a variety of circumstances. Activity could be dependent upon the type of concern and

value of the subject-matter of trade, but individuals would have few expenses beyond the fee paid to agents.

Although the lessor had to register for VAT if gross income exceeded £10,000, that did not settle the matter as between the taxpayer and the Inland Revenue. Hence the lessor should take further steps; for instance, the registration of a business name, printing of stationery, opening of a business bank account and maintenance of detailed accounts.

Mr Carmichael developed his theme by considering the possibilities of partnership. A wife should not be inactive, and ought to be given a working knowledge of leasing and the terms of agreements. Cheques and letters should be signed by her. If she carried out the acts of a trade, she must obtain her



Mr K. Tingley, Conference Chairman and Editor of *Taxation* (Comments from his opening address are on page 511).

earned income allowance, reduced rate relief and separate assessments on earned income.

'A number of cases have been taken to the Commissioners', said Mr Carmichael, 'and so far as I understand the position, the Revenue have lost in each case.' Warning that they were looking for a test case to take through the Courts with a reasonable chance of success, he suggested that advisers should make the Revenue's task as difficult as possible by ensuring that their clients really were trading.

An alternative was to form a limited partnership, when wives could set off the initial losses from first-year allowances against their investment income. However, the opportunity to terminate schemes at the income-yielding stage had been restricted by section 41 of the Finance Act 1976. This precluded relief under section 168 if a company was implicated, and also in the presence of a mere scheme or where the allowance was in connection with a trade or asset carried on or transferred in connected circumstances or at a depressed price.

Categories of settlement

On Saturday afternoon Mr Philip Lawton, MA, LL.M., FTII, spoke on 'The Future of Family Trusts'. The Chairman was Mr W. N. Hunter Smart, CA, immediate Past-President of The Institute of Chartered Accountants of Scotland.

Mr Lawton introduced his subject with a historical review of the law leading up to the categories of settlement to which the scheme of CTT applied. The contrast was between one with an interest in possession and one without – conveniently talked about as a discretionary trust. The latter was subdivided between the paragraph 15 accumulation and maintenance settlement and all others. Aggregation for valuation purposes applied to property held in settlements in which there was no interest in possession.

The meaning of that expression had been considered in an Inland Revenue Press Notice in 1976, which was generally accepted until challenged in *Pearson v. CIR* (1979 STC 516). The facts of that case were that three daughters, all of full age, had become

Revenue Report

entitled in equal shares to vested interests in the capital and income of a trust fund, subject to two distinct powers exercisable by the trustees. It was not disputed that the first power to appoint capital and future income did not prevent the sisters from having interests in possession, and it happened that the trustees did thereby appoint £16,000 to Fiona, one of the daughters, during her life.

'This obviously gave Fiona an interest in possession in the £16,000', said Mr Lawton, 'so that there would be a capital distribution giving rise to CTT unless it could be said that Fiona already had an interest'. The argument therefore centred on the second power to accumulate income.

Leave to contest

The audience were guided through the distinctions between a present interest and a future one, but warned that leave had been obtained from the House of Lords to contest the decision in the case.

Mr Lawton then looked at the effect of CTT on the different kinds of settlement. Accumulation and maintenance settlements had the privileges that there was no charge on a capital distribution to a beneficiary and the periodic charge did not apply. Attention was then directed to capital gains tax and the question of what is meant by a person becoming absolutely entitled as against the trustee. One useful way of varying a settlement was to create an entailed interest in favour of the beneficiary who would have the right to bar the entail and convert the settled property into his absolute ownership at any time. Mr Lawton cautioned the audience on the need to consider the income tax position.

Turning to the future of settlements, he directed attention to the choices open to the trustees of a discretionary trust, whether of termination or conversion into an 'under 25' trust or an interest in possession of a suitable life. Retention was recommended for small funds and where disposal of shares or creation of a lease was desired without CTT.

Mr Lawton concluded his address with a review of the relative position of UK and foreign settlements and indicated how both capital gains tax and the incidence of section 478 of the Taxes

Act 1970 could be escaped. He also showed the considerations which should weigh with a UK trustee considering retirement from a foreign settlement.

After the interval Mr J. P. Hardman, FCA, ATII, spoke on UK tax implications of setting up a business overseas, under the chairmanship of Mr J. B. Fletcher, FCA. In his introductory remarks he recommended that commercial factors take precedence over tax considerations. The structure should be kept simple and under continual review, with reliable local advice; all necessary clearances should be obtained and care taken not to provoke revenue authorities overseas.

The audience were then invited to consider the pattern of growth of an international group. United Kingdom products might be marketed abroad by direct sales to overseas customers or through salesmen, in which case the enterprise would be trading with the foreign territory. This could become extensive enough to rank as trading in the second country, although the tax treaty would usually specify the presence of a permanent establishment as a precondition for double taxation. An alternative approach involved a local independent distributor or agent and here the existence or not of a permanent establishment would be governed by treaty rules.

Unilateral relief

Turning to licensing arrangements, Mr Hardman referred to the sale of know-how, manufacturing or selling rights and patents in exchange for lump sums or royalties. This required consideration of the liability of the overseas payee to UK taxes subject to treaty relief. So far as overseas taxes were concerned, unilateral relief in the UK could fill in gaps left by treaties.

The next stage in development could take the form of a local branch, though consideration should be given to using a separate UK subsidiary in order to avoid loss of double tax relief and full disclosure, while enjoying limited liability on overseas operations. The final stage was to use a local company resident overseas.

Mr Hardman then examined in greater depth the points to watch in connection with an overseas branch. Losses could be

relieved in the UK, but there were problems over deductibility of head office expenses. The existence of different bases of computation could be alleviated as regards capital allowances and stock relief was a possibility.

The main advantage of a local company, said Mr Hardman, was that unremitted profits were free from UK tax. The local profile might be better with overseas participation. Attention should be given to the correct corporate structure of the group to facilitate employment of resources.

Not mere puppets

He then cautioned on the multiple factors which determined overseas residence under the heading management and control. The overseas directors must be autonomous, not mere puppets seeking written instructions from the UK. Moreover, all meetings must be held abroad and UK resident directors should act only when abroad. It should be remembered that all documentation and correspondence was open to Revenue inspection.

On the question of inter-company pricing it was necessary to consider import duty values. Interest-free loans and royalty-free licensing was at risk under section 485 of the Taxes Act 1970. Appropriate tax planning would seek to influence selling prices to avoid management charges while taxation of unrealised inter-company profit could be prevented by consignment sales.

The address concluded by drawing attention to the merits of partnerships as a trading medium, with a subsidiary as corporate partner.

The address at the first business session on Monday was given by Mr T. W. Tuite, Assistant Director of Operations, Operations Division, Inland Revenue, when Mr K. R. Tingley, FCCA, FTII, Editor of *Taxation*, took the chair. His subject was 'In-Depth Investigations – The Revenue View'.

Mr Tuite reminded his listeners of the provisions of the Taxes Management Act 1970 with particular reference to section 29. If an Inspector of Taxes was satisfied with a return his action was mandatory – he must make the assessment accordingly – but if he was not satisfied his action was discretionary –

Revenue Report

he might make an assessment to the best of his judgement. These were not black-and-white alternatives, so that an Inspector might pass accounts although not 100 per cent satisfied without thereby removing the taxpayer's responsibility to see that returns were correct. It was the duty to seek satisfaction that authorised an Inspector to make inquiries, although the section said nothing about this.

Mr Tuite contrasted that with the terms of section 20 which did not authorise inquiries but only the delivery of such documents as were in the taxpayer's possession or power, being documents which in the Inspector's reasonable opinion might contain information relevant to any tax liability of his.

Warming to his theme, he went on to review progress in investigations which had slumped with the complex legislation of 1965 but which was being restored to earlier standards following the new approach announced by the Chairman of the Board at Harrogate in 1976.

Worthwhile adjustment

'What it amounts to', said Mr Tuite, 'is that within Schedule D we now make fewer but more worthwhile adjustments and this is reflected by the fact that, even excluding the back duty element which I referred to earlier, the total tax value of these adjustments has increased substantially'. Part of this came from the compliance effect.

Having pointed to the correct balance between an excess of zeal and being not over-zealous, he then conducted his audience through the guidelines used by the Inspector. The first stage lay in deciding whether to initiate a tax check, after which he had to find out whether the accounts showed the true profits and, if necessary, to arrive at an alternative figure of profits. The significance of a low rate of gross profits appeared mainly at the first stage, but the official instructions indicated the limitations inherent in using rates achieved by similar businesses.

'It is an over-simplification', said Mr Tuite, 'to suggest that each district will automatically challenge accounts falling below some average'. All that the Inspector needed to say was that he was not yet satisfied that the accounts were right,

so it was not a help if the accountant asked the Inspector to produce his 'evidence' that the accounts were wrong. The answer lay with the taxpayer, but in a high proportion of cases started on gross profit rates, serious weaknesses were later found in the business records. Mr Tuite expounded the case for an alternative measure of profits based on mark-up computations which might contain errors yet be more reliable than figures based on records known to be incomplete.

Fundamental weaknesses

He also explained that the discovery of fundamental weaknesses of a continuing nature justified the re-opening of past years which could not have been correct. The Inspector would not agree to refrain from doing so in consideration of the acceptance of a substantial uplift to the current year.

In conclusion, Mr Tuite defended the need to maintain a hard line in appeal proceedings if a negotiated settlement was not achieved.

The final business session on Monday was chaired by Mr E. R. Gibbs, FCCA, FCIS, immediate Past-President of the Association of Certified Accountants. An address on the subject of 'Partnership Tax Planning' was given by Mr R. M. Ivison, FCA.

He commenced with a reference to the stock relief introduced in 1975 as a temporary palliative, so that many partnerships decided not to claim it for work-in-progress because of the potential problem of clawback that could fall on partners at higher rates than had applied to their original relief, if any. Moreover, the use of a deferred tax account provided only rough justice.

Position ameliorated

That position had been ameliorated by the substantial changes in the rate of tax for 1979-80 and the new provisions for stock relief. 'We may now wish to consider the use of the sole trader-partnership entity as a trading vehicle rather than an incorporated company', said Mr Ivison. With the assumptions of allowances and charges of £4,215, an average income tax rate of 42 per cent applied to taxable income of £39,820

corresponding to the 'small company' rate. For taxable income of £100,000, the average rate of 52.83 per cent was only marginally greater than the 52 per cent corporation tax rate.

The absence of a deduction for partners' salaries was now met by a reduction to 10 per cent of the restriction for trading profit, which remained at 15 per cent for companies. The write-off for Schedule 10 relief took effect in accounts beginning after the end of the last period of account ending in 1978-79. Subsequent relief would become eligible for write-off on January 1st, 1982, in the case of a year ended December 31st.

Mr Ivison next invited his listeners to consider the benefit of postponing tax on profits which were increasing, with the rate of inflation at least. With an accounting date at March 31st, tax was payable on the following January 1st and July 1st; but in the extreme contrasting case of an April 6th accounting date the interval became 21 and 27 months before payment. Hence the anniversary date should not be automatically selected for a commencing business.

Date of cessation

Another important area concerned the date of cessation, especially on a partnership change. The audience were warned of the possible effects of a cessation within two years of an elected continuation as regards a retiring partner. Moreover, it was just a year since Sir William Pile's forecast of changes contemplated in the preceding year system, although the consultative document had not yet materialised.

Turning his attention to capital gains tax, Mr Ivison referred to the Inland Revenue statement of practice originated in January 1975 and extended in January 1979. It was possible to introduce a relative of an existing partner without CGT if he was treated on the same terms as a non-related partner. He said that if, on commercial grounds, the partners decided not to revalue partnership chargeable assets on a change in profit-sharing ratios or on the retirement or admission of a partner, no CGT charge would result in consequence of such events. Consideration could be given to the question as to whether an intangible

Revenue Report



Clockwise: Stripped for action, Mr J. P. Hardman makes light of 'Setting Up a Business Overseas'; Keith Carmichael, FCA, delivering the first paper 'Learning for Tax Saving'; In the audience, Mr W. N. Hunter Smart, CA (centre), Past-President ICA of Scotland and Chairman of session 2.

asset such as goodwill had any value and a claim made for loss relief if the Inspector could be satisfied that the value had become negligible.

In addition to the technical papers, the Conference programme included the traditional range of social events. On the Friday evening, delegates were the guests of the Mayor of Harrogate at a civic reception, followed on Saturday by the Chairman's reception and dance at the Hotel Majestic. For the ladies, there was a demonstration of make-up techniques by a Helena Rubinstein consultant, and a talk on 'Antiques' by Robert Aagaard. The golf competition for the *Taxation* challenge cup, played over the

Knaresborough course, was won by Mr J. R. L. Hudson of York.

Arrangements have been made to hold the 1980 National Taxation Conference — the 30th in the series — at Bournemouth from October 3rd to 6th.

'Reform Fringes' Conference Call

Fringe benefits, already a topical issue, featured prominently in the opening address of Mr Kenneth Tingley, FCCA, FTII, Editor of *Taxation*, to the 1979 National Taxation Conference. This, he said, 'may well be a further area of fiscal reform which must await the

Chancellor's Budget statement in the spring of 1980'.

'The growth of substantial fringe benefits in recent years has been phenomenal', said Mr Tingley. 'Much of this growth is explained by high rates of taxation which benefits seek to minimise, particularly where the full value of the benefit made available does not incur liability to income tax. The nature of fringe benefits is seemingly unending and includes the availability of motor cars, numerous leasing schemes, the provision of travel facilities, and many, many more.

'In a further attempt at tax reform, the Chancellor of the Exchequer has announced a wide-ranging review of fringe benefits. The first step in this review was the publication of a consultative document dealing with the taxation of motor cars and arrangements for meeting petrol and other running costs. Currently, the document affects most directors and employees receiving remuneration at the rate of £8,500 or more per annum.

'Few would deny that the provision of such fringe benefits should give rise to personal tax liability. No doubt the measure used to establish the taxable benefit is a matter requiring widespread discussion and debate. It must, however, be seriously questioned whether benefits arising from the availability of motor cars should be examined in isolation. These are not the only benefits enjoyed by directors and employees and many anomalies arise: for example, while an employee receiving the required level of remuneration is assessed on the benefit derived from the availability of a motor car, employees of British Rail and airline operators enjoy substantial travel facilities which incur little or no liability to taxation.

'It must also be questioned whether the arbitrary limit of £8,500 should be retained. In an ideal society, all benefits made available by an indulgent or hard-pressed employer should incur liability to income tax. This obviously disregards the ability of the Inland Revenue to administer the assessment of benefits accruing to the lower paid. However, there is considerable justification for the conclusion that fringe benefits attributable to motor cars should not be examined in isolation.'

Isn't every year
you've lived without
Muscular Dystrophy
worth at least £1?



Give thanks for your life by helping us to
find the cure for Muscular Dystrophy after you die.
Leave £1 or more in your Will for every Year
of your life and ask your clients to do the same.

If you'd like to do something sooner about
this most tragic disease,
please send anything you can - even £1 - now

Muscular Dystrophy Group
of Great Britain

Dept. S, 35. Macaulay Rd., S.W.4.

Two NEW Study Books

COMPANY LAW STUDY BOOK

by T. Martyn, LLB, Barrister at Law

This book has been specially written to help students taking Company Law in the examinations of the various professional bodies. The author, who has long experience in teaching for the examinations, provides an understanding of company law in a concise and readable form. The eight chapters cover the legal basis of the company and its significance today - the formation of a company - the personnel involved - financial aspects - records and accounts - procedure at meetings - reconstruction and amalgamation - winding up.

UNDERSTANDING ACCOUNTS

by F. A. J. Couldery, FCA, FCCA, FCIS

Unlike the majority of introductory books on accounts, this useful study book starts with balance sheets, proceeds to profit and loss accounts, and then examines the areas of practical importance - fundamental accounting concepts, cash flow and funds flow statements, depreciation, accounting ratios, valuation methods.

There are numerous diagrams and illustrations, and a second colour is carried through the book to good effect, highlighting the important features. Overdrafts appear in red figures, and the accounting ratios stand out as relevant comparisons on facsimile balance sheets and profit and loss accounts.

The visual impact is quite unlike any other book in its field: each topic is illustrated as it is discussed. To the newcomer to accountancy, that must be a powerful aid to memory. The book contains many questions and fully worked answers to illustrate the application of the principles discussed.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.**

Please send copy/copies of
COMPANY LAW STUDY BOOK
at £2.50 plus 30p postage (airmail £1.25)
and please send copy/copies of
UNDERSTANDING ACCOUNTS
at £3.50 plus 30p postage (airmail £1.25)

Remittance enclosed £

Name

Address

.....

A

Judicial Precedent

The doctrine of judicial precedent presupposes that, when a Court reaches its decision, it has had the opportunity of considering all the relevant points of law. If something really important has been passed over the decision is said to be taken *per incuriam*; in simple English it is recognised as wrong and so it is not a precedent after all.

It is a little unusual for a Court to declare one of its own decisions to be wrong, but Lord Denning MR is not greatly enamoured of judicial precedent anyway; see, for example, *Davis v. Johnson*, *The Times*, March 10th, 1978.

The history here was that in *BBC v. Ioannou* ([1975] 2 All ER 999) the Court of Appeal was dealing with a fixed-term contract of employment for more than two years which purported (under what is now the Employment Protection (Consolidation) Act 1978, section 142) to contract out of the employer's liability to pay compensation to a dismissed employee. The contract contained a clause under which the employer could give notice of termination before the fixed term was up. On that occasion Lord Denning said that 'a "fixed term" is one which cannot be unfixed by

notice'; so it was not a contract which could deny the employee his statutory rights.

But an employee can only claim compensation if he has been dismissed. If the employer lets a fixed-term contract expire and does not renew it he would not in the ordinary sense be 'dismissing' the employee. To stop that gap, section 55 (2) (b) provides that the expiry of a fixed-term contract is to be a dismissal unless renewed. But section 55 (2) (b) can only apply to a fixed-term contract — and the Court of Appeal had said (in *Ioannou's* case) that if it had a break clause in it it was not a fixed-term contract. This was the point of the case.

The Court of Appeal, however, held that non-renewal of an expired contract was dismissal (giving a right to compensation) and that *Ioannou's* case was wrongly decided *per incuriam*, ie without consideration of its effect on other parts of the code.

There were two grounds for the *Ioannou* decision and so it was still a correct decision on the other ground. But on principle there is a tangle here which only Parliament can sort out.

Dixon v. BBC ([1979] 2 All ER 112).

Solicitors' Duty to Beneficiaries

The long-standing rule that a solicitor preparing a will owes a duty only to the testator has been successfully challenged in the Chancery Division by a disappointed beneficiary.

In the present case, the testator had specifically asked his solicitors whether intended beneficiaries were debarred from witnessing a will. The solicitors did not answer this specific query, but sent the draft will under cover of a letter which gave instructions for its execution in the presence of two independent witnesses. The will was executed and witnessed, and returned to the solicitors, who acknowledged it as 'signed and duly witnessed'; however, the will named the

present plaintiff as one of the beneficiaries, and her husband was one of the witnesses. In consequence, she was disqualified from benefit under section 15 of the Wills Act 1837.

Against the solicitors, the plaintiff claimed damages for their negligence in failing to check the effect of the 1837 Act upon the attestation. The solicitors admitted negligence, but claimed that their duty was owed to the testator only.

Allowing the claim, the Vice-Chancellor, Sir Robert Megarry, said that the earlier authority relied upon by the defendant solicitors no longer applied. A solicitor was now liable not only in contract to his client, but also to others for the tort of negligence.

The *Hedley Byrne* decision had introduced a new dimension to the tort

of negligence where there was sufficient proximity between the tortfeasor and the injured party. In the present case, it was obvious that carelessness on the part of the solicitors caused damage to the plaintiff's interests; nor was it necessary for her to show that she had placed specific reliance upon the solicitors' professional skills. On both authority and principle, she was entitled to recover from the solicitors the benefit to which she would otherwise have been entitled under the will.

Ross v. Caunters (123 Sol J 605).

Insurers Oppose 'Alien Judgments'

The British Insurance Association, representing insurance companies transacting some 95 per cent of the worldwide business of the British insurance company market, has come down strongly against the proposed UK/US Civil Judgments Convention. By facilitating the enforcement of awards made in American courts, the proposed Convention would be at the expense of the British consumer, says BIA.

American court awards in civil matters are decided on the basis of different legal concepts: 'US courts apply liability rules which are much more hostile to the defendant than our own UK rules, and US courts and juries work to a level of damages far in excess of the level applied here.' Virtually all personal injury and property damage actions in the US are the subject of jury awards, taking account of the contingency fee system, by which US lawyers receive a percentage of the award.

Pointing out that present grounds for recognition of US judgments in the UK are limited and well known, the BIA has said that the alternatives being offered remain either too wide or too uncertain. Also, it is felt that the proposed Convention would be certain to encourage 'forum shopping'.

Because of the United Kingdom's accession in 1978 to the European Judgments Convention, the BIA recognises that the United States needs to take steps to protect its interests. It feels, however, that, in return for such conces-

Current Law

sions, the present proposals appear to give no balancing benefit to the UK.

'Importation of judgments alien to our legal system and the export of British funds to satisfy such judgments would be the undesirable result.' US concern over the European Convention would be met by article 18 of the proposed UK/US Civil Judgments Convention, and BIA is not opposing the concept of a convention restricted entirely to that aspect.

Although nobody can be precise about the level of increases in the cost of insurance which might have to be introduced in the long term should the convention be ratified, what can be said is that, currently, premiums for UK policies are charged at up to 20 times the UK rate when endorsed to include US cover.

Payment of Wages

With the growth of crime and the desirability of avoiding having to transport a great deal of cash, one safeguard is to pay wages by cheque or straight transfer into a bank account. There are, however, legal restrictions on this in respect of certain staff and it is worth while knowing the position to avoid the possibilities of the law imposing financial penalties.

With non-manual workers, the method of payment can be in any form agreed between the employer and the employee. Thus, if the employer wishes to pay the employee's salary into the bank every month, or pay wages weekly by means of the Giro system, he can lay this down as a condition of employment when the employee joins the firm or company.

With the manual worker, however, it is forbidden by law to pay wages other than on a cash basis unless the employee agrees to this being done – and his or her consent must be given in writing. If the employee refuses, or the employer tries to make it a condition of employment that wages are paid other than in cash, then an offence against the law may well have been committed.

Of course, as happens so often, the law begs the question by not classifying 'manual workers' and it is only possible to obtain guidance from Court decisions on this matter. Office workers, drivers (provided they do not do their own

repairs) and shop assistants are not manual workers and the restrictions do not apply to them. However, skilled craftsmen, semi-skilled and unskilled workers on production processes where physical work is expected of them as the norm, are manual workers for this purpose.

There is one final point worth noting. While you can pay a portion of a non-manual worker's wages or salary 'in kind' (eg, by the provision of goods or services, or shares in the company) you cannot do this for a manual worker – even if he or she consents.

Dishonest Employees

Sometimes, employers are placed in a dilemma when faced with a situation where they might suspect an employee of dishonesty without being actually able to prove it. If they dismiss the employee, can they lose a case that might be

brought against them for unfair dismissal?

Some guidance has now been given by the Employment Appeal Tribunal (which has the status of the High Court) in *British Home Stores Ltd v. Burchell* [1978] IRLR 379.

First, said the Tribunal, you must have carried out a reasonable investigation into what has gone on. Second, at the time of dismissal you must genuinely have believed in the guilt of a particular employee or group of employees and, third, that as a result of the investigation you had reasonable grounds for believing that the employee was responsible for the dishonest conduct.

If you are able to show that all these three elements were present when you dismissed then, even if you did not have enough evidence for a prosecution to take place, you should be able to show that the dismissal was fair and thus avoid having to pay considerable sums by way of compensation.

Garnished

Garnishment may suggest anything from a sprig of parsley to a selection of vegetables, but can also be quite an effective method of enforcing payment of debts. This refers, of course, to the 'garnishee order' to attach funds in the hands of a third party, usually a bank.

For an unsatisfied judgment in the county court, the court office will supply on request a form of affidavit in support of a garnishee summons; this must be sworn before a solicitor and must include particulars of the bank or other account sought to be attached. This is an area in which sharp eyes and low cunning may pay dividends, not least because a garnishee order can be defeated if the defaulter succeeds in clearing funds from the account before the order is served.

If the defaulter has been a regular customer in the past, there should be some indication of his banking arrangements; if, on the other hand, there has been a payment to the defaulter on a previous occasion, subsequent scrutiny of the paid cheque should reveal the rubber stamp of the bank through which it has been cleared. Armed with this information, the next step is to go to one's own

bankers and ask for the usual form of bank status report on the defaulter.

This report, when it comes, will inevitably be couched in general terms and will certainly not quote figures. It may indeed indicate that proceedings are likely to prove abortive. However, given a reply on the lines of 'your figures considered within their scope' or 'considered good for amount stated', then go and swear your affidavit.

The third party (bank) on which a garnishee summons is served has the right to appear and be heard on the summons; but, if funds are available and are not subject to competing claims it may normally be expected that the garnishee bank will pay the amount into court, whereupon the judgment creditor need only make formal application for payment out.

Having successfully followed these steps, it is no small balm to the lay litigant subsequently to be asked, by a firm of solicitors who have been unsuccessfully attempting to recover money from the same defaulter: 'What made you think of a garnishee order? – we haven't seen one for 20 years'!

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION Applicable as from September 1st, 1979

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

2-YEAR POST QUALIFIED.

READING. to £9,000
Small/Medium Practice require the above. Ideally someone who has been working mainly on Large Private Co. Work. Ideal situation for the right applicant.

AUDIT SUPERVISOR.

CENTRAL LONDON. c. £8,000
Medium/Large Firm are seeking a Supervisor. Ideally the person they need will have worked on the slightly larger type of work patterns and be seeking a post where challenge is rewarded. This is an excellent Firm.

ASSIST MANAGER SMALL AUDITS

DEPT. CITY. to £8,000
Medium Firm are seeking the above. Ideally the person they need will be Qualified and be wishing to specialise in this field. Excellent Firm that retains staff for long periods.

N.Q.A.C.A. CITY.

c. £7,500
Medium Firm are seeking the above. Ideally the person they require will have a first class exam. record and be seeking to move into a "Ladder" situation fairly quickly.

P.A. TO PARTNER. WEST END. c. £7,000
Medium Firm with large Audits require a P.A. for an overworked Partner. Excellent Firm and Partners. Anyone joining them will have to be prepared to work hard for excellent rewards.

AUDIT SENIOR. NORTH LONDON.

£NEG.
Small Firm are seeking the above. N.N.Q. Ideally the person they want will have a sound background of Audit and Accounts work. Good prospects for the right individual.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

BERMUDA

c. \$24,000 p.a. tax free

Controller responsible for management, review and development of accounts function of busy and expanding data processing company. Must be fully qualified. Age 25-30 but mature. Exceptional opening for enthusiastic person able to complement a young professional team. Bermuda has an idyllic climate and offers an exciting sports and social life.

BLESSED & CO

**1 NEW BURLINGTON STREET, LONDON W1
01-734 5156**

WALTON-ON-THAMES

Chartered Accountants require Senior, not necessarily qualified, for Walton office. Interesting and varied experience available. Salaries commensurate with experience and clear promotion trail. Pension and life assurance scheme; medical scheme.

**Telephone: Walton-on-Thames
23685.**

WEYBRIDGE/SURREY

Chartered Accountants require ACA for senior position providing interesting and varied experience. Salary commensurate with experience and clear promotion trail.

Pension and life assurance schemes; medical scheme.

**Telephone: Walton-on-Thames
23685**

BOOK-KEEPERS BUREAU

**OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR**

- * **BOOK-KEEPERS**
- * **ACCOUNTS CLERKS**
- * **WAGES CLERKS**
- * **MACHINE OPERATORS**

**TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS**

**39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676**

**118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441**

WHY WORK IN LONDON?

In Reading we will pay 'London' salaries in our audit department to all grades of qualified accountants. For details ring David Barnes of Edwin Smith and Co, 0734 581956.

Chartered Accountants

CROYDON

Croydon office of expanding firm of chartered accountants require newly/recently qualified staff.

Interesting and varied experience available with excellent prospects of increased responsibility. Salary dependent on experience, but not less than £6,000.

Write with brief details to **Staff Partners, Wright Stevens & Lloyd, Davis House, 69-77 High Street, Croydon CR9 2RE.**

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

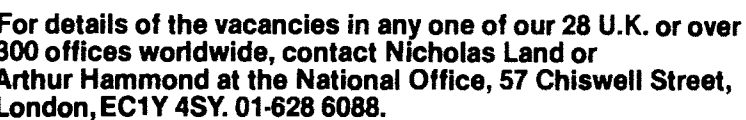
Licensed in accordance with the Employment Agencies Act. Our service to applicants is personal, confidential and free

INDUSTRY • PRACTICE

COMMERCE • INDUSTRY • PRACTICE • COMMERCE

Join the international practice of Ernst & Whinney
for a new dimension in experience with
greater responsibility, variety
and challenge.

Join the international practice of Ernst & Whinney
for a new dimension in experience with
greater responsibility, variety
and challenge.



Ernst & Whinney



Topcare Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

TAX

PERSONAL TAX ASSISTANT/SENIORS

£5,000-£8,000

We have numerous posts at this level for those with experience in the field of personal taxation. Whether this has been gained with the Inland Revenue, a Bank, or within the Profession, we know that many of our clients would like to meet you. We have been placing people at all levels since 1966 and make it our business to find exactly the right positions for our candidates. If you would like to discuss matters we will be only too pleased to hear from you. **SO RING, WRITE OR CALL IN TO SEE US AS SOON AS POSSIBLE.**

MANAGER, WC2 **£9,000+**

Large firm can offer a very rewarding post to a lady/gentleman well versed in personal taxation.

SENIOR, WC2 **to £9,000**

International firm requires A.C.A. with some post-qualification experience in taxation.

SENIOR, WC2 **c. £8,000**

Our clients are a very substantial firm who seek a lady/gentleman with all-round tax knowledge.

ASSISTANTS, WC1 **c. £5,500**

Our clients are a substantial firm in the Holborn area.

NEWLY QUALIFIED, EC4 **£7,000+**

International firm seeks someone wishing to specialise. Previous tax experience not necessary.

SEMI-SENIOR, W1 **to £7,000**

Professional office experience essential. Mainly personal tax.

JUNIOR/TRAINEE, SW1 **c. £4,000**

Medium-sized firm seeks bright and ambitious young person.

SENIOR, EC2 **c. £7,000**

Mature person with good personal tax knowledge is sought by substantial City firm.

ASSISTANT, W1 **c. £6,000**

Due to expansion of the Personal Tax Dept an additional Assistant is required.

ASST. MANAGER, EC1 **c. £8,000**

Experience of Underwriting would be useful in this post which is with a go-ahead medium-sized practice.

JUNIOR, EC4 **to £4,000**

A young person with 1/2 years' personal tax experience is sought by medium-sized firm.

AUDIT

AUDIT MANAGER, EC2 **c. £11,000**

This large City International practice requires someone who has obtained experience within a medium/large firm.

AUDIT MANAGER, EC2 **c. £11,000**

First-class firm of medium size who are well established in the City require a mature person with good managerial ability.

P.A. TO PARTNER, W1 **c. £8,500**

An A.C.A. is sought by this small West End practice to deal with varied and interesting duties. Excellent prospects.

SUPERVISOR, WC1 **c. £8,000**

Recently qualified or well-experienced unqualified lady/gentleman is sought by this medium/large practice.

SENIOR, E15 **to £7,500**

Very suitable position for a recently qualified A.C.A./A.C.C.A. or finalist.

SMALL AUDITS DEPT, W1 **£Negotiable**

Substantial department of medium-sized West End firm requires experienced Senior.

NEWLY QUALIFIED **£7,000+**

Large firm in Central London offer excellent post-qualification training and experience.

FINALIST, WC1 **c. £6,000**

Here is an opportunity to join a substantial well-organised practice with a wide range of audits.

INSOLVENCY MANAGER, WC2 **£15,000 + CAR**

Experience in this field essential. Large International practice.

OFFICE MANAGER, EC4 **£6,000+**

Large firm requires someone with good book-keeping and professional office experience.

UNQUALIFIED SENIORS **£6,000-£8,500**

Many posts available at this level for people with auditing experience. All types and sizes of firms.

TRUST STAFF

MANAGER, EC2 **c. £9,500**

Opportunity to join large International firm, to deal with both Trust and Personal Tax matters.

ASST. MANAGER, WC2 **c. £7,000**

Small friendly firm near Charing Cross seeks Senior person with trust accounting experience.

PROVINCIAL

AUDIT STAFF

Ashford, Kent - A.C.A. P/ship prospects - £NEG

Aylesbury - Semi-Senior - to £5,000

Bexhill - A.C.A. - £8,000

Brighton - P.A. to Ptn. - c. £9,000

Eastbourne - N.Q. A.C.A. - to £8,000

East Grinstead - Audit Mngr. - c. £6,000

Harrow - Audit Senior. P/ship - £NEG

High Wycombe - Audit Senior - £6,000+

Ipswich - Audit Spvrs. - to £8,000

Ipswich - Semi-Seniors - to £6,000

Lewes - N.Q. A.C.A. - £8,000

Mitcham - Audit Senior - £NEG

Newbury - P.A. to Ptn. - c. £6,000

Northampton - Audit Senior - to £7,000

Oxford - Audit Senior. P/ship prospects - to £8,000

Reading - P.A. to Ptn. - to £9,000

Salisbury - P.A. to Ptn. P/ship - £NEG

Southampton - Accounts Assist. - £NEG

Southend - P.A. to Ptn. - c. £7,000

Sutton - Audit Clerk - c. £4,500

Watford - P.A. to Ptn. - c. £6,500

Weybridge - Audit Senior - £7,000

Yeovil - N.Q. A.C.A. - £6,000

TRUST STAFF

Southampton - Administrator, large firm - c. £6,000

TAXATION STAFF

Aldershot - Tax Mngr. - £HIGH

Bath - Personal Tax - £4,500+

Birmingham - Personal Tax - £5,500+

Bournemouth - Tax Assistant - £NEG

Bristol - Personal Tax - £4,500+

Croydon - Personal Tax - to £6,000

Enfield - Suit A.T.I.I. student

Harrow - Corp. Tax Assist. - c. £6,500

Manchester - Suit ex-T.O.(H.G.) - £NEG

Norwich - Personal Tax Assist. - £NEG

Ringwood - Tax Assistant - £NEG

Southampton - Tax Assistant - £NEG

Thornton Heath - Personal Tax - c. £6,000

Tunbridge Wells - Tax Assistant - c. £5,000

Worcester - Personal Tax - c. £6,000

Worthing - Tax Mngr. - £HIGH

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

TAXATION & ACCOUNTANCY RECRUITMENT

CONSULTANTS TO THE PROFESSIONS

Having established a conventional agency we have on our register situations in all parts of the U.K. in the Accountancy and Legal Professions ranging from audit and tax assistants through to partner level with remuneration from £4,000 to £15,000.

However, we have found that in addition to notified vacancies there is little difficulty in 'creating' situations for candidates of ability who are qualified by examination or experience and if required are willing to undertake a course of further study.

Instead of waiting for the right opportunity to turn up we invite you to discuss with us your hopes and ambitions for the future and we will do all we can to find you the career opportunity you are seeking in an area of your choice.

3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates

The Good Job Guide

THE COMPLETE SELF-HELP GUIDE TO CHANGING YOUR JOB

Over 500 pages of practical information and advice, including:

- trends in the job market
- self-assessment
- effective search
- cv and interview techniques
- training opportunities
- legal aspects
- working overseas
- key facts on hundreds of companies
- detailed profiles of major employers
- a guide to recruitment consultants
- professional associations
- employer category/job and location indices

£1.75

available from major booksellers, or from Order Dept A
The New Opportunity Press, Yeoman House,
76 St James's Lane, London N10 3RD. (add 60p p&p)

PROVINCIAL OFFICES

NW BIRMINGHAM to £7,500

— Partner Designate, Local Firm —

TAMWORTH to £6,250

— P.A. to Manager, Branch Office N.N.Q. —

CENTRAL BIRMINGHAM to £5,500

— Finalist, Substantial Local Firm, Exam Assistance —

COVENTRY £6,500 to £7,500

— Partner Designate, A.C.A. under 30 —

WORCESTERSHIRE — Manager N.N.Q. — £5,000+

Ring Birmingham office: (021) 643 6201

MANCHESTER — Audit Semi-Senior — to £4,000

WARRINGTON, MANCHESTER & LIVERPOOL

— Newly Qualified — c. £6,000

Ring Manchester office: (061) 834 9733

SOUTH GLAMORGAN c. £5,750

— A.C.A. 1-2 yrs' Post Qual. Exp., Partnership Prospects —

NORTH DEVON c. £6,000

— Partnership Prospects, Tax Knowledge Essential —

SOUTH GLAMORGAN c. £4,750

— Finalist/Unqualified, Rural Firm —

CARDIFF c. £6,000

— A.C.A. (Graduate), International Firm —

Ring Cardiff office: (0222) 371446

WEST BROMWICH — Personal Tax Assistant — £5,000

WOLVERHAMPTON — Unqual Senior — c. £5,000

DUDLEY — Assistant to Partner — c. £5,000

Ring Wolverhampton office: (0902) 771975

SOUTH YORKSHIRE — Partnership Prospects — c. £6,000

SHEFFIELD — Partner's Assistant — to £6,000

Ring Sheffield office: (0742) 738775

EAST MIDLANDS — Training Manager — £9,000+car

EAST MIDLANDS £8,000+car

— Small Business Manager —

NORTHAMPTONSHIRE £7,500

— Audit Manager's Assistant —

NORTHAMPTONSHIRE £6,500+car

— Newly Qual A.C.A. —

Ring Leicester office: (0533) 542693

NOTTINGHAM £6,500

— Partner's Assistant, Recently Qual. A.C.A., Local Practice —

NOTTINGHAM £7,500

Manager, National Firm, A.C.A., Accounting Services —

LINCOLNSHIRE to £6,000

— Local Rural Practices, Newly Qual —

NOTTINGHAM — Newly Qual. — to £6,000

SCUNTHORPE £6,500+B.U.P.A.

— Financial Accountant, Newly-Qual./C.A. —

LOUGHBOROUGH to £6,500

— Local Practice, Recently Qual., Audit/Tax —

DERBY — Newly & Recently Qual., Audit/Tax — to £6,250

Ring Nottingham office: (0602) 582939

WEST YORKSHIRE — Audit Manager — to £8,000+car

LEEDS c. £3 per hour

— Temporary Audit Staff, up to 6 months —

WAKEFIELD — P.A. to Partner — to £5,800

WEST YORKSHIRE — Young C.A.s/Finalists — to £6,500

Ring Leeds office: (0532) 38384

Accountancy Personnel
Recruitment Specialists
to the Profession

PUBLIC PRACTICE

ABLE SENIOR and semi-senior audit staff required by North Essex C.A.s. - Full details and salary requirement to Box AS 2921.

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

AN ABLE SENIOR, qualified or unqualified specialising in tax, required by chartered accountants, London NW6 to deal with a variety of substantial matters on his own initiative including the correspondence. Attractive salary with definite partnerships prospects if qualified. - Write Box AA 2880.

AN ABLE SENIOR required by chartered accountants, London NW6. To finalise accounts and supervise audits including the tax. Attractive salary with reviews. - Write Box AA 2879.

... and if you are a competent senior who wishes to work in a small firm, London NW6 (staff eight) on larger jobs including the tax at a good salary with excellent prospects. - Write Box AI 2878.

BIRMINGHAM CHARTERED ACCOUNTANTS seek enthusiastic finalist or recently qualified accountant with wide experience in medium-size practise (including incomplete records). Suitable applicant can expect partnership at an early date. - Replies to Box BC 2898.

BOOK-KEEPER with experience of professional accounts office required for processing incomplete records and VAT quarterly accounts with a view to computerisation within 12 months. Challenging position with excellent prospects. Salary £5,200. - Tel. Staff Partner, 01-580 2914.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agy).

CHARTERED ACCOUNTANTS in Edgware require juniors and semi-seniors for small progressive practice. Successful applicants will gain all-round experience. - Please telephone 01-951 0888.

CLERKS REQUIRED by Finchley firm of accountants. - Please apply Box CR 2910.

CROYDON CHARTERED ACCOUNTANTS, 5 partners, require seniors and semi-seniors with some experience of incomplete records. Able to work on own initiative. Salary and benefits negotiable. - Write Box CC 6410.

DORSET Chartered Accountants will shortly need qualified manager in age range 25/35 for small team. Responsible for block of clients reporting direct to partners. Must have experience of incomplete records and preferably foreign accounts. Future partnership prospects for suitable person. - Write in the first instance with full c.v. to Box DC 7141.

EXPANDING FIRM of accountants in Dulwich urgently require a senior and semi-senior accountant, qualified and/or experienced - able to work on own initiative, to prepare accounts from incomplete records and audit small companies. Salary negotiable. - Write to or telephone, Leslie Sequeira, 01-693 9518, Leslie J. Sequeira & Co. Lloyds Bank Chambers, 2 Woodwarde Road, Dulwich, London SE22 8UJ.

EALING CHARTERED ACCOUNTANTS require senior audit staff to take charge of accountancy, audit and taxation work with responsibility to partners and dealing directly with clients. - Write giving full details to Box EC 2888.

EXPERIENCED AUDIT CLERK REQUIRED. - Able to undertake small company audits and prepare sole-traders' accounts from incomplete records with minimum supervision. - Chennell & Sharp, Certified Accountants, 40 Station Road, Burgess Hill, Sussex.

FINCHLEY PRACTICE wants 3 semi-seniors - minimum two years' experience. Good training on audit, tax and accountancy - competitive salaries paid. - Brian Ingram Associates, 01-458 5313.

LIVERPOOL CHARTERED FIRM requires senior for growing practice covering wide range of work and providing excellent opportunities for acquiring experience and responsibility. The successful applicant is likely to be newly (or nearly) qualified to have had experience of small audit/accounts preparation work and be keen to progress. - Box LC 2911.

LONDON ACCOUNTANT in sole practice requires assistant to produce accounts from incomplete records. This is an expanding practice offering a good salary for person experienced by background or qualification. - Send details to Box LA 2899.

PARTNERSHIP PROSPECTS with North Notts practice. Person with 2/3 years' post-qualifying experience required. Wide range of clients. Pleasant area. - State full particulars and salary required to Box PP 2900.

PERSONAL ASSISTANT senior/semi-senior required by fast-expanding chartered accountants in Euston area. Not necessarily qualified but must be willing to accept responsibility. - Please telephone 01-388 5063.

NORTH LONDON. - Permanent position for a semi-senior/senior accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. - Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

PERSONAL TAX

Assistant required for Croydon Chartered Accountants expanding personal tax department. Excellent salary negotiable according to ability and experience. Telephone the Staff Partner 01-654 2265 and quote P.T.

PERSONAL TAXATION

Small Business/Company Accounts

SENIOR/MANAGER EXCELLENT PROSPECTS

Rapidly expanding firm of Chartered Accountants, two minutes Charing Cross.

Qualification preferred but not essential.

£6,000-£8,500

Box PT 7153

ROMFORD. - Chartered accountants require experienced, full- or part-time audit, accounts and tax staff. - Full details of experience and age to Box RC 6404.

SEMI-SENIOR ARTICLED CLERK, minimum two years' experience in a small office and seeking wider experience required by London W1 firm. Basic understanding of book-keeping and auditing essential. Attractive salary. - Tel. Staff Partner 01-580 2914.

NEWLY OR RECENTLY QUALIFIEDS OR FINALISTS

If you have qualified within the past year or two, or are a PEII finalist expecting to qualify within the reasonably near future, you might care to consider the advantages of joining our clients.

They are a medium-sized City based firm of Chartered Accountants who are experiencing rapid internally generated expansion. They are also actively looking at situations which will give them a greater geographical spread of offices. Because of the expansion programme the future prospects for those joining them now are particularly excellent. They believe in giving full managerial responsibility at an early stage and the chances for further promotion are first class.

The Partners place great emphasis on the provision of first rate technical services for their clients and it is envisaged that successful applicants will have served with firms of repute. The in house training programme is currently being reviewed and developed so that, a lie with CPE accredited outside courses, it will be even more comprehensive than at present.

They currently require the following:

ASSISTANT MANAGER

For the group dealing with smaller clients where turnovers range from £20,000 to £1,000,000 plus. It is expected that promotion would follow within a year or so to Manager.

Circa £8,500

SUPERVISING SENIOR

Either recently qualified or a PEII finalist with a good examination record to date. This group deals with medium to large clients. Paid study for PEII students.

to £7,600

SEMI-SENIORS/JUNIORS

Our clients need, due to expansion, semi-seniors and juniors in all sections of their practice. These could be PEII students, article transferees or studying to become Certified Accountants. Paid study leave where required.

to £5,000

Please contact Chris Kuhn

Dennis Chatfield & Associates

TAXATION AND ACCOUNTANCY RECRUITMENT CONSULTANTS
3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET, LONDON EC4Y 0BN
TELEPHONES 01-353 1307/1308, 01-353 5831

GABRIEL DUFFY (CONSULTANCY)

Evenings/weekends Slough 46539

29 Thurloe Street
London SW7 2LQ
01-581 0895

AUDIT MANAGER EC2

c. £11,000

Audit and general practice. Experience of multiple retailers essential. A.C.A., possible partnership prospects in medium-sized firm. Similar post W.C.1.

OFFICE MANAGER W1

c. £6,000

Age to 45. Competent, experienced person, familiar with accounts and the internal administration of a practitioner's office.

NEWLY QUALIFIED WC1

£7,000

Medium-sized practice with offices throughout the Midlands and South seeks Audit Seniors for quoted companies and small businesses. Excellent career development training.

AUDIT MANAGER EC1

to £10,500

Medium-sized practice, reporting to one partner. Audit orientated but tax and other functions involved. Possible partnership medium term. Similar post W.1.

P.A.s to PARTNERS SW1 & EC1

c. £8,000

General Practice and audit of medium-sized companies. Both progressive firms offering good prospects of partnership in the medium term.

AUDIT SUPERVISOR WC1

£8,000

2 years' P.Q.E. or several years' professional experience. Technical competence and good personality essential. Wide range of clients throughout U.K. Medium-sized firm.

CONSULTANTS SW1

c. £9,000 plus car

A.C.A.s to join special projects team in internal organisation. Internal audit/Management Accounts/Investigations.

TAX SPECIALISATION A.C.A.s/PE2s

To £7,500

Full training given to A.C.A.s without previous tax experience. We can arrange a programme of suitable interviews.

PARTNER DESIGNATE

SOUTHALL, MIDDX

£7,000-£8,000. PE2 Finalist or recently qualified A.C.A. Short-term partnership prospects. General practice and routine tax.

AUDIT MANAGER/SENIORS

IPSWICH

Manager to £9,500. Audit biased Practice and local office of major International firm.

AUDIT SENIOR

OXFORD

To £8,000. 2-3 years' P.Q.E. Possible partnership prospects in medium-sized firm. Generous relocation expenses.

NEWLY QUALIFIEDs

EASTBOURNE

To £8,000. Young A.C.A.s with provincial general practice experience and U.K. tax knowledge for expanding firm. Partnership prospects within three years.

EQUITY PARTNERS

MANCHESTER & OXFORD

To £10,000. National firm. Less immediate partnerships in the Bucks & Berkshire offices of the group.

A.C.A.s/PE2 FINALISTS

SURREY/SUSSEX

£6,750-£8,000. Dynamic, expanding group of Practices. Offices: BEXHILL, BRIGHTON, CROYDON, HORLEY, HORSHAM.

PARTNER DESIGNATE

READING

£8,000-£10,000. Ambitious A.C.A. with min. 2 years' P.Q.E. Age, to mid-Twenties. General Practice/small private cos. Partnership in the medium-term.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6397.

SEMI-SENIOR OR JUNIOR for small office, London NW11. - Please apply Box SS 2901.

SENIOR AND SEMI SENIOR clerks required by chartered accountants in City, near Liverpool St. - Tel. 01-247 9853.

THREE-PARTNER FIRM of C.A.s, London W1, require a young chartered accountant with experience and flair for a small practice offering a wide range of personal advice and professional service. Responsible position with excellent prospects. Salary from £7,500. - Tel. Staff Partner 01-580 2914.

ACCOUNTING

Small West End Chartered firm requires an audit semi-senior. The work involves preparing accounts including auditing your own work. Good experience is the main qualification needed.

Initial salary circa £4,500.

Applications giving brief details in your own handwriting to:

Smee Moore & Co
50 Monmouth Street
London WC2H 9ES

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

TAX MANAGER wanted by five partner firm of chartered accountants with offices in mid-Kent. Applicants must have a proven ability in dealing with both corporate and personal taxes and be seeking a high level of responsibility within the firm. This is a senior position with increasing opportunities for client advisory work and a salary will be negotiable at a level appropriate to the responsibility involved. For further details please contact the Staff Partner, Kingsford Garland & Co, 72 Bank Street, Maidstone. - Tel. Maidstone 51809.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. - 01-405 4457.

WEST END chartered accountants require senior and semi-senior audit staff. Good salary and prospects are offered for the right applicants. - Box WE 2889.

AMERSHAM CHARTERED ACCOUNTANTS

seek qualified audit seniors. Salary according to experience, but in the region of £8,000 p.a. - **J. R. Antoine and Partners,** 75 Rickmansworth Road, Amersham, Bucks. Tel: Amersham 22726.

TAX. - A senior required by C.A.s, London NW, at a good salary wishing to specialise and/or take charge of a small tax department with several substantial cases. Definite partnership prospects if qualified. - Write Box TA 2881.

WEST COUNTRY CHARTERED ACCOUNTANTS require senior assistant (not necessarily qualified) as assistant to partner. The applicant must have small practice experience in preparing accounts from incomplete records, taxation, etc. Opportunity to join progressive firm with five offices. Salary negotiable. Pension scheme. - Apply: K. A. Symons, Lentells, 23 High Street, Taunton, Somerset. Telephone: Taunton 86274.

YOUNG CHARTERED ACCOUNTANT required to join a progressive practice in a delightful area of the country. Excellent further all round experience will be gained particularly with the smaller business enterprise. This will include audit, taxation and a close involvement with clients and partners. Assistance will be given with removal expenses where appropriate.

The firm is a founder member of the 'Offa Group' - an association of Independent Firms of Chartered Accountants which is arranging various training courses and other activities.

Please write with full details of experience and salary to date to Elton P. Edwards, FCA, Little & Co, 16 St Owens Street, Hereford.

TRAINING CONTRACTS

ARTICLES/TRANSFERS from £3,250. - Pembroke & Pembroke operate a national service. - Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

ARTICLED CLERK, foundation completed or transferee required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. - Write Box AC 2923.

CERTIFIED STUDENT required for practice in Euston, London. Good all round progressive salary. - Write Box CS 2924.

CHARTERED ACCOUNTANTS in Southall, Middlesex, urgently require an articled clerk who has completed Foundation Course an A.C.C.A. student also considered. Excellent working conditions and prospects. - Please telephone Mr Jolly, 01-571 1066.

WEST END CHARTERED ACCOUNTANTS require chartered/certified trainees. Post foundation section II required. Progressive salary, wide experience in small firm with interesting range of clients. - Apply in own handwriting to Box WE 2864.

A.C.A./A.C.C.A. COVENTRY

Prospective Partner

required by small practice

Applicants must have an imaginative approach and will be required to take full responsibility for clients and revenue negotiations. Salary and finance, not a limiting factor. - Please apply with full details to Box AC 30784.





Do accountants need a breath of fresh air?

It takes longer to reach your destination when sailing against the wind.

The professional knows what lies ahead and plots a course to match the conditions.

With Price Waterhouse the tide is in your favour.

The experience, career development, training, and overseas opportunities we offer men and women are refreshingly different.

Write to us or phone. Tell us what interests you. We will send you more detailed information about opportunities in the firm.

From then on, it could be plain sailing.

Dick Shervington, Price Waterhouse & Co.,
Southwark Towers, 32 London Bridge Street,
London SE1. Tel: 01-407 8989.

Name _____	TA12
Address _____	
_____ Tel No. _____	
I am interested in working in	
UK ☐ Continental Europe ☐ Ireland ☐ Elsewhere ☐	
and would like to specialise in	
Audit ☐ Tax ☐ Management Consultancy ☐ Insolvency ☐	

Price
Waterhouse

COMMERCE & INDUSTRY

PRIVATE COMPANIES' GROUP ACCOUNTANT

Aged about 40, required to help run group of private companies in Romford, with view to becoming Company Secretary. The applicant need not be qualified but should have good knowledge of all accountancy practice, company law, taxation and should also be conversant with all aspects of office management. Assistance with housing can be given if required. Opportunity to join Pension Scheme after initial period. Salary commensurate with experience. — Apply in writing to Box PC 30788.

GROUP ACCOUNTANT

Qualified accountant to take charge of all financial matters for a group of small companies operating in the printing, computing and property fields. This is an opportunity to get in on the ground floor and create something really worth while.

Applicants should be aged 30–40 with commercial experience and will be required to work in London. Starting salary £6,000 p.a. plus other benefits, including profit sharing.



Applications in first instance to
The Managing Director
Jenkmor Finance & Investment Ltd
33 Crawford Street, London
W1H 1PL Tel: 01-402 6165/6

ITC FILM DISTRIBUTORS LTD

COMPANY ACCOUNTANT

A unique opportunity exists (due to internal promotion) for a qualified accountant to assume responsibility for the full accounting functions of a rapidly expanding company engaged in film distribution in the U.K. We are part of a group covering all aspects of the entertainment field and career prospects are accordingly excellent. Duties will consist of maintenance of full accounts, monthly reports to group, budgetary forecasts and control of expenditure. A knowledge of computerized accounting procedures would be most advantageous. Experience of control of a small staff would also be useful. Excellent salary by negotiation, good working conditions (offices near Piccadilly Circus). Luncheon vouchers, contributory pension scheme, four weeks' holiday.

Apply in writing with full c.v. to Company Secretary:

ITC FILM DISTRIBUTORS LTD
ACC House
17 Great Cumberland Place
London W1A 1HE

Group Finance Manager

Qualified accountant required as group finance manager to negotiate with finance houses, prepare and monitor cash flows, and assist with group accounting for major publicly-quoted service company. Location Central London; working

under group secretary. Pensionable and progressive post.

Commencing salary circa £7,500. Apply with full particulars of career to date to Box GF 30811.

Can You Deliver a First-Class Computer Audit Package?

The address is the Crown Agents, Millbank. The brief is to adapt, implement and control existing computer audit packages in liaison with our systems analysts.

Ideally, you'll be a qualified accountant with a sound knowledge of up-to-date computer audit techniques. You must also know your way round the audit division of a large firm and possibly have experience of Honeywell equipment. By our reckoning, that should put you somewhere between 23–40.

As a specialist, you can expect a salary of between £7,548–£8,796 rising on 1 January 1980 to £8,130–£9,680 plus special allowance. As a member of the Crown Agents, your benefits will include a generous leave allowance, an index-linked non-contributory pension scheme, flexible working hours, sports and social facilities and luncheon vouchers.

For full details and an application form please phone Elaine Horne 01-222 7730 Ext. 3362 or write quoting reference MH/923/AK.

Crown Agents

The Crown Agents for Oversea Governments and Administrations, Recruitment Division,
4 Millbank, London SW1P 3JD.

ACCOUNTANT, not necessarily qualified required for busy commercial company based in North London. Excellent salary, car supplied. — Details in writing to Beatty & Co (Ref. PL), 324/326 Holloway Road, London N7 6NJ.

C.A. WOULD SUIT semi retired, work which mainly involves the interpretation of accounts, can easily be conducted within the home. Average earnings between £3,000 and £4,000 per annum. — Apply Donald Mowatt, ICC Ltd, 81 City Rd, London EC1.

EDWIN SHIRLEY TRUCKING LTD, a leading transport company in the entertainment business, is looking for a qualified accountant to head a small accounts department, prepare management figures and balance sheets. Salary negotiable. — Please write in the first instance to The General Manager, Edwin Shirley Trucking Ltd, Crows Road, London E15 3BX.

EXPERIENCED ACCOUNTANT (preferably qualified) required by manufacturing company in Wembley. The main duties involve keeping complete sets of books, preparation of monthly and final accounts, financial reporting, credit control and payment of all accounts, salary negotiable depending on ability and experience. Excellent prospects in expanding company. — Telephone 01-998 1174 for interview or write with c.v. to Managing Director, Steam Vacuum Extraction Ltd, 278A Abbeydale Road, Wembley, Middlesex.

VETERINARY SURGEONS in Wanstead with other business interests require a person with about 2 years experience in a small firm of accountants. The person must be adaptable. — Please telephone Martin Duke to discuss the situation on 01-989 7744.

Taxation Accountant

Mardon Packaging International Limited, a major manufacturer of packaging products in the United Kingdom and overseas with annual sales in excess of £300 million, wish to appoint a Taxation Accountant at Group Headquarters in Bristol.

The successful applicant, who will be fully involved in the activities of the finance department, will be responsible for all aspects of the Group's taxation affairs including tax planning, advice, submission of computations and agreement of liabilities.

Candidates must be Chartered or Certified Accountants who have gained at least three years' experience of Corporate Taxation, preferably including overseas taxation, in industry or in the taxation department of a major professional firm.

A competitive salary will be paid and fringe benefits are those associated with a large progressive group.

Please write with full career details to:

Management & Staff Secretary
Mardon Packaging International Limited
Clifton Down
BRISTOL BS8 3HJ

OFFICIAL APPOINTMENTS

VICTORIA UNIVERSITY OF WELLINGTON
NEW ZEALAND

CHAIR OF ACCOUNTANCY: Applicants able to provide academic leadership in management accounting will be preferred. An interest in management accounting may be combined with involvement in other selected areas of concern to the department, such as public sector accounting, information systems and taxation. The Department of Accountancy has an establishment of 28 academic posts, including four Chairs, and offers a wide range of courses for the BCA, BCA(Hons), MCA and PhD degrees.

ACCOUNTANCY: Senior Lectureship and Lectureship in the Department of Accountancy. These positions involve teaching at undergraduate and graduate levels. Research support in various forms is available. Applicants for the Lectureship should have demonstrated potential in teaching and research activity. Applicants for the Senior Lectureship should have a doctorate in accounting or finance or, alternatively, have a successful record of teaching, research or professional activity.

CLOSING DATE: October 31st, 1979.

SALARIES: The salary scale for Professors is NZ\$27,533 to \$34,455, for Senior Lecturers NZ\$17,285 to \$19,780, where there is a bar, then \$21,533, and for Lecturers NZ\$13,722 to \$16,861 p.a. Fares paid to New Zealand.

CONDITIONS OF APPOINTMENT: Prospective applicants should first obtain conditions of appointment and application procedure from the Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF, or from the Appointments Officer, Personnel Office, Victoria University of Wellington, Private BA9, Wellington, New Zealand.

UNIVERSITY OF STIRLING

PROFESSOR IN ACCOUNTANCY

The University is seeking to fill a Chair in Accountancy. Initially the holder will be in post alongside Professor J. M. S. Risk, BCom, PhD, CA, FCMA, FBIM, who will retire in about 2 years' time. The appointment will be made within the professorial range (average £12,862) (under review).

Persons with appropriate qualifications and experience are invited to apply, before November 30th, 1979, naming three referees, to the University Secretary, University of Stirling, Stirling FK9 4LA, from whom Further Particulars are available.

OVERSEAS

SAUDI ARABIAN businessman requires young qualified accountant single and preferably with experience of the Middle East to act as his personal Financial Accountant based on Jeddah, Saudi Arabia. Tax free salary negotiable in excess of £12,500 p.a. — Please send brief but comprehensive details of experience and qualifications to Box SA 7136.

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. — Please reply to Box AB 6413.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. — For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

A WEST END CHARTERED ACCOUNTANT, Jewish, needs a partner. Must have practising certificate and small firm experience. — Please apply Box AW 2913.

BELFAST/DUBLIN. — Inquiries are invited from firms who wish to pursue merger or association relationships. Strictest confidence. — RMA, Tel. 0245 81166.

BIRMINGHAM. — A Chartered Birmingham Practice of long standing now wishes to expand by merger, or acquisition, and can offer firms seeking a constructive merger excellent back-up and advantageous terms. Ample cash is available to provide an attractive capital consideration of up to one-and-a-half times G.F. with or without personal continuity. — RMA, Tel. 0245 81166.

BRISTOL. — We have many clients wishing to acquire practices or blocks of fees on attractive terms. RMA, 0245 81166.

Merger/Acquisition National Firm GF £10m Plus Greater Cardiff Area

■ **OUR CLIENT** a long established Chartered Practice of National stature, with an increasing number of strategically placed offices throughout the United Kingdom, now seeks to develop further by means of a compatible merger or acquisition in the Cardiff area.

■ **THE ADVANTAGES** which would accrue to firms seeking growth by merger in this area would include exceptional training assistance, availability of highly advanced systems, expert specialist counsel and, in addition, substantial geographical benefits both nationally and internationally for the promotion of client attraction, retention and development to the full potential.

■ **THE SETTLEMENT** envisaged will be generous — in the case of acquisitions up to 1½ times GF with highly attractive consultancy options. In the case of mergers, as our client believes in the autonomy of each office, individuality and personal contribution will be maximised. To discuss these excellent opportunities contact us in strictest professional confidence at once.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex
England
☎ 0245 81166/81167

The North of Ireland Merger/Acquisition Required By Belfast Firm GF £¼m

■ **AN EXCEPTIONAL opportunity has emerged for Accountants in the Belfast area, and North of Ireland generally, to consider how the future of their practice could benefit from our clients' proposals. Inquiries are invited, therefore, in strictest confidence and on the understanding that nothing will be divulged by us, without your permission to any party whatsoever.**

■ **OUR CLIENT has ample space available, a progressive approach and outlook, highly qualified staff and specialists, international business and connections, successful systems and training facilities and is convinced that a compatible merger with an established firm in the North of Ireland could be most beneficial to both parties personally and professionally.**

■ **ACQUISITION PROPOSALS. If you are contemplating sale, retirement, or full/partial withdrawal from practice and wish to realise the best deal, we are prepared to offer up to 1½ times the GF as a capital sum plus consultancy arrangements if required.**

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd., Chelmsford, Essex
England

☎ 0245 81166/81167

Cables **RESOURCE CHELMSFORD**

Greater Birmingham Merger/Acquisition Required Firm Estb. c. 1869 GF c. £10m

■ **AN OPPORTUNITY has arisen for practitioners in the Greater Birmingham area to take full advantage of our client's resources and professional position to enhance their own. The combination of services, systems, training schemes, national coverage and international connections offered, merit your immediate consideration.**

■ **MERGER. Our client's practice is structured so that each office has complete autonomy, individual character and flexibility, and in this way can provide incoming partners with the greatest scope for personal fulfilment, better client service and a strong competitive advantage.**

■ **ACQUISITION PROPOSALS. Up to 1½ times the Gross Fees will be paid in capital and, in addition, a valuable consultancy contract provided if this is required. To find out more about these excellent opportunities contact us in strictest confidence today. Your identity will not be disclosed to any party without permission.**

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd., Chelmsford, Essex
England

☎ 0245 81166/81167

BE A FRANCHISED ACCOUNTANT !!!

West & North London, Croydon,
Reading & Bournemouth

Part-time 2 evenings & Saturday mornings, or full-time. Under 30 and preferably unqualified, but must have at least 5 years recent professional experience in incomplete records and must be quick at figures. We are a well established and expanding practice in association with the London Federation of Self-Employed. Interviews throughout the U.K. Accommodation available, if desired. No capital required.

Please telephone 01-993 1296 Miss Scott, 9 a.m.-1 p.m.

BIRMINGHAM CHARTERED SOLE PRACTITIONER with branch in Midlands town, would be pleased to speak to young sole practitioner with nucleus of own clients to consider merger or partnership. - Box BC 2914.

CARDIFF MERGER/ACQUISITION. - Cardiff practice established circa 1905, G.R.F. in the region of £180,000, seeks to acquire practices or blocks of fees within an area bounded by Barry, Bridgend, Pontypridd and Newport, and in Carmarthen. Our client is able to offer up to one-and-a-half times G.F. as a capital sum and if required will also provide scope for the principal(s) to continue with a most beneficial agreement. Alternatively firms seeking growth and future development by merger can stand to gain a great deal and make rapid advancement. Full details given in confidence. - RMA, Tel. 0245 81166.

CENTRAL LONDON. - A practice or block of fees up to £50,000 is sought by a reputable practice. RMA, 0245 81166.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. - Box CA 6414.

CHARTERED ACCOUNTANT sole practitioner Birmingham/West Midlands area urgently requires block of fees/small practice. - Box CA 2867.

CHARTERED ACCOUNTANT with a practice in West End wishes to acquire a small practice. Would also be interested in discussions with practitioner considering retirement. - Box CA 2915.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. - Box CA 6409.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantage. - Please reply to Box CC 7137.

CITY FIRM. - G.F. £1,000,000+. Our client wishes to acquire or merge in the following areas: East, South or West of London, within a sixty-mile radius of Bristol, and the West Coast/West of England. Associations are additionally sought in Belfast, Manchester, Edinburgh or Glasgow, Ipswich or Norwich, Leeds, and the South Coast. - RMA, Tel. 0245 81166.

COUNSELLING for overworked, undercapitalised and frustrated practitioners who require guidance on Practice Disposal. Merger and Valuation. Reference available. confidence observed. RMA, 0245 81166.

ENFIELD. - £60,000 G.F. This growing practice established 1967 operates from High Street offices and provides a general accountancy service. RMA, 0245 81166.

ESSEX. - If you have a practice within the area of Chelmsford, Ongar, Romford or Southend and wish to sell contact us today in confidence. - RMA, 0245 81166.

EXTENSIVE EXPERIENCE, F.C.A., desires partnership/working arrangement. £6,000+ own fees and ¼ of time available. - Box EE 2904.

FIRM OF C.A.s wishes to acquire a practice or block of audits in North London or adjoining areas. - Box FO 2870.

FOURTH PARTNER required for rapidly expanding Worcestershire practice. Initially as P.A. to partner for probationary period. Taxation bias would be advantageous. Salary £6,000-£7,000 initially with negotiable bonus. - Apply Box FP 2885.

HEREFORDSHIRE. - F.C.A. 30's, partner, southern counties provincial practice, wishes to return home if commitments will allow. Any propositions? - Box HF 2916.

IPSWICH

National Firm of Chartered Accountants
require a

PARTNER DESIGNATE

to assist in the development of an
established office.

Applications from existing practitioners
would be considered.

Box IN 7151.

LANCS - Chartered Accountants not satisfied with their present problems would be interested in purchasing others. If you are considering selling your practice or a block of fees up to £40,000 we would be interested in buying. Funds available for cash settlement.

Would also consider merging with firms whose Principals envisage retirement within the next 5 years with a view to eventual succession.

Interested parties should write to:

N. Snodgrass,
560 Bolton Road,
Bury, Lancs.

LEICESTER C.A. with extensive industrial experience wishes to return to the profession by purchasing a small practice or block of fees or partnership. - Box LC 2892.

LINCS, MERGER. - Long-established practice G.F. c. £600,000 wishes to expand by merger or acquisition. Inquiries invited in confidence. - RMA, Tel. 0245 81166.

MANCHESTER CHARTERED ACCOUNTANTS, three partners, G.R.F. £65,000 would welcome discussions with other practices with a view to merger. - Box MC 2905.

MANCHESTER. - Eager, highly organised Chartered firm with spare capacity, wish to acquire on very advantageous financial and personal basis. - RMA, Tel. 0245 81166.

MERGER. - Often the catalyst to fast growth, economic, geographic, technical and personal benefit. RMA, 0245 81166.

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF
WEST SUSSEX/HAMPSHIRE
to £250,000 GF

GLASGOW/EDINBURGH
BIRMINGHAM/BRISTOL/CARDIFF/
DUNDEE/EASTERN COUNTIES
to £500,000 Plus GF

DEVON/CORNWALL/SOMERSET
to £100,000 GF

CAMBRIDGESHIRE/NORFOLK/
BEDFORDSHIRE c £40,000 GF

DENNIS CHATFIELD & ASSOCIATES
WHEATSEAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353-1307/
1308/5831.

NORTH YORKSHIRE/TEESSIDE

Chartered Accountants are interested in acquiring a practice with gross recurring fees between £19,000 and £40,000.

Please apply to Box NY 7138.

NORTH WEST LONDON Chartered Accountants providing mainly specialist services seek to acquire a small practice/block of audits up to £20,000 G.R.F. Cash and/or pension arrangement negotiable. — Box NW 7140.

NOTTINGHAM. — G.Fees c. £14,000. Practice for disposal due to Principal's pursuit of other interests. Established circa twenty years with around 140 clients. — RMA, Tel. 0245 81166. (24 hrs).

PARTNERSHIP/MANAGER up to 50% available in local practice. Will interested party please forward details. — Box PM 2852.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. — Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

SE. HERTS. — G.F. £60,000. Would consider selling in two blocks. Circa 300 clients, lease available. — RMA, Tel. 0245 81166.

SELLING/BUYING/MERGING. — RMA have successfully completed many UK transfer assignments. If you have a specific problem, or just wish to gain a fresh perspective on these vital matters, our Managing Partner can arrange for a convenient consultation. RMA, Tel. 0245 81166.

SMALL TIDY BLOCK OF CASES FOR SALE by retiring Middlesex part-time practitioner. Gross annual fees approximately £1,500 (capable of being doubled immediately), price £1,500 for quick sale. Assistance given with continuity. — Tel. Uxbridge 30748.

SOUTH WALES. — We are retained by a client who is actively seeking a small block of fees within a twenty-mile radius of Swansea. Up to one-and-a-half times will be paid for. RMA, Tel. 0245 81166.

VALUATIONS FOR PRACTICES, equity shares, blocks of fees and dispute situations. — RMA, Tel. 0245 81166.

WORCESTERSHIRE

Chartered Accountants are interested in acquiring a practice with gross recurring fees between £10,000 and £50,000.

Please apply to Box WC 7139.

£40,000. — High-quality G.R.F. for sale North London. £80,000 cash required. — Box LF 2893.

SUBCONTRACT WORK

EXPANDING FIRM in Hornchurch Essex require subcontractual assistants. Must be fully experienced in company audits, incomplete records and be prepared to work in trial balance stage. — Replies (own handwriting please) to Box EF 2928.

NORTH LONDON. — Permanent position for a semi-senior/senior Accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. — Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

SUBCONTRACTOR REQUIRED to produce final accounts from incomplete records. Ability to audit limited companies preferred but not essential. Staines and Feltham area. — Box SR 2897.

A.C.A., N. LONDON requires subcontract work — will collect and deliver. — Available on phone during all office hours. — Box AC 2906.

A.C.C.A. (33), seeks subcontract work, small/medium company audit, incomplete record related tax work, VAT, etc. Excellent service. Competitive rate. Collection and delivery. — Apply Box AC 2917.

ACCOUNTANT QUALIFIED incomplete to computer accounting. Collect and deliver. — Box AQ 2854.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6415.

CHARTERED ACCOUNTANT available for subcontract work in Leeds area. — Please phone Leeds 458242.

CHARTERED ACCOUNTANT seeks subcontract work in Central, West or South West London areas. Wide experience in all fields. — Please reply to Box CA 2927.

CHARTERED ACCOUNTANT with good all-round experience seeks subcontract work within 20 miles of Harrow/Wembley area. — Box CA 2907.

F.C.A. — Kensington — seeks regular subcontract work. Will collect and deliver or work partially on own premises if required. Prompt and efficient service. — Box FC 2894.

F.C.A. available for subcontract work in London area. City, West End, North, North West areas preferred. — Box FC 2871.

F.C.A. many years' experience in profession, seeks subcontract work or temporary assignments in London and North West. Will collect and deliver. — Please reply to Box FC 2887.

LONDON F.C.A. with wide experience has time available to assist practitioners at principal level. — Box LF 2929.

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. — Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

A.C.A PART QUALIFIED (Asian origin — 48) varied experience in accounting, complete/incomplete records, auditing, taxation, book-keeping (including group of companies, solicitors, property companies etc). Seeks suitable permanent position, in profession, commerce or industry in or around London. — Please write Box AP 2930.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. — Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. — All replies to Box AC 6416.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5

Freelances and Job Applicants required also.

TRAINING CONTRACTS

AN A.C.M.A with accountancy graduations, seeks training contract with a C.A. firm. — Please write, Box AA 2931.

SERVICES

COMPANY FORMATIONS

A BACKED SERVICE. — Limited companies formed or ready made. — Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY SEARCHES. — Prompt and reliable personal service at moderate rates. — M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETLEBURGH LIMITED
140, 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON
EC4Y 0HE. Tel. 01-353 1441
Ring any day — any time — 24 hour service

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for
immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5

3177/8, 7361, 9936

Telex 887475

Express Co
Registrations
Ltd 30 CITY ROAD
LONDON EC1

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

LIMITED COMPANIES

NEW FORMATIONS

—AND—
READY-MADE COMPANIES
FOR ALL TRADES £90
(Complete: no hidden extras)

ALSO

COMPANY SEARCHES

Searches, Seals, Registers, etc.
Descriptive literature from:

GRAY'S INN COMPANY
FORMATIONS LTD
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

MORTGAGES

ABANDON CHASING THAT MORTGAGE. — 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. — Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

MORTGAGES AND RE-MORTGAGES

on freehold and 60-year leasehold private dwelling-houses, purpose-built flats and part occupation dwellings, arranged over a 20-year term through highly reputable building society, also joint mortgages. No restriction on age of property if in good condition. Maximum advance £19,500. — For further information please write or telephone, M. P. Joseph (9 a.m.-5 p.m.), 01-242 9936, 125 High Holborn, London WC1.

SECURED LOANS and remortgages for accountants. — 01-346 4653. Martin Hasseck Ltd, Freeport, London NW4 1YB. **100 PER CENT MORTGAGES** available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. — Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

A COMPREHENSIVE SERVICE

Maximum loans for professionals
Remortgages, commercial loans, etc.

Personal service 20 years' experience.
Members of the Corporation of Mortgage and Finance Brokers.

ROWE, CHARLES & CO LTD
Hill House, Wembley, Middx HA9 9LD
01-908 3434

MISCELLANEOUS

PERSONAL

DATLINE'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. — Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

PART TIME TUTOR REQUIRED. Experienced or recently qualified C.A. required to teach PEII students. Top hourly rate and hours by arrangement. — Please reply Box PT 2932.

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS — NORMAL SERVICE THREE DAYS. — Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. — F. H. Greenhaigh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

BUSINESS PREMISES

AN INSTANT OFFICE. — Ideally suit new or expanding firms. Busy position 'Bakers Arms' London E10. Luxuriously furnished. Telephonist, receptionist, C/H and other services and facilities included. — 01-539 3300.

SPARE OFFICE SPACE available to share services for a sole practitioner in the City area. — For details contact Box SD 2920.

BUSINESS OPPORTUNITIES

COMPANY. — £10,000 issued share capital for sale. Agreed tax losses: Travel £4,500; Property development £300. Price £350. — Hallbrook, 15 Meer Street, Stratford-upon-Avon, Warwickshire.

SUCCESSFUL and well-established accountants (London, Croydon, Reading, Bournemouth) require mortgage of £30,000 to be secured on a commercial freehold property value £40,000. We offer 15% p.a. or may be paid by way of consultancy fees of £4,500 p.a. — Please telephone Miss Scott 01-993 1294.

PENSIONS

EXPANDING AND EXPERT Life & Pensions Advisory Service is seeking arrangements with one or two medium-sized accountancy firms, to mutual advantage. Free pensions advice given to your best self-employed clients on Pensions, Self Administered Funds, Partnership and Key Man Assurance. — For appointment please contact Richard Humberstone, Temple Investment Planners Ltd, 55 Harrington Road, Leytonstone, London E11. 01-556 3442.

FOR SALE

FOR SALE. — Nixdorf Mini Computer Model 820/15, Printer and Auto Ledger Feeder. Regularly maintained and serviced. — Offers to: 01-493 9222 (Mr Rogers). **RECONDITIONED COMPANY HOUSE** FICHE readers from £50. — Telephone 01-628 0898 or 01-638 9324. **SIMON'S TAXES AND STUBBS TAXATION SERVICE.** — Offers to Colchester 70109.

CONDITIONS OF ACCEPTANCE OF CLASSIFIED ADVERTISEMENTS

1. The publishers cannot guarantee insertion on any specified date, but every effort is made to comply with advertisers' requirements.
2. The publishers will not be held liable for any loss occasioned by the failure of any advertisement to appear from any cause whatsoever.
3. The publishers will not accept responsibility for printing errors which may appear or for any consequences arising therefrom.
4. Box number addresses must not be used for the receipt of original documents, goods or payments of any kind, nor are they available for the distribution of circulars or canvassing matter. Any letter is liable to be opened for examination of its contents.
5. The right is reserved to refuse, cancel, suspend publication, or alter any advertisement which in the opinion of the publishers does not conform with recognized professional standards.

accountancy personnel

Ag.

TEMPORARY

Calling all Managers, Seniors, Semi-Seniors, Intermediates and Juniors

TEMPORARY JOBS IN ALL AREAS.

TOP RATES OF PAY ONE WELL PAID JOB AFTER ANOTHER

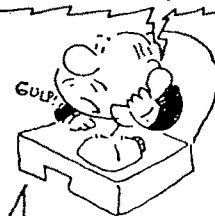
64 George St,
Croydon
01-686 4686

7 MacKenzie St,
Slough
Slough 35939

63 Moorgate,
London EC2
01-628 9015

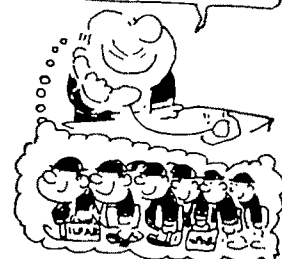
14 Gt. Castle St,
Oxford Circus, W1
01-580 2612

'AUDITORS ON THE PHONE FOR YOU MR. BICKERDYKE'



BUT I'M NOT READY! THE BOOKS AREN'T WRITTEN UP... COMING NEXT MONTH YOU SAY?

BUT WAIT A MINUTE GET ME ILPAR



NO QUALIFICATIONS THIS YEAR, MR BICKERDYKE. BOOKS IN APPLE PIE ORDER CONGRATULATIONS!



FOR YOUR TEMPORARY ACCOUNTING PROBLEMS RING 01-353 5624

ILPAR

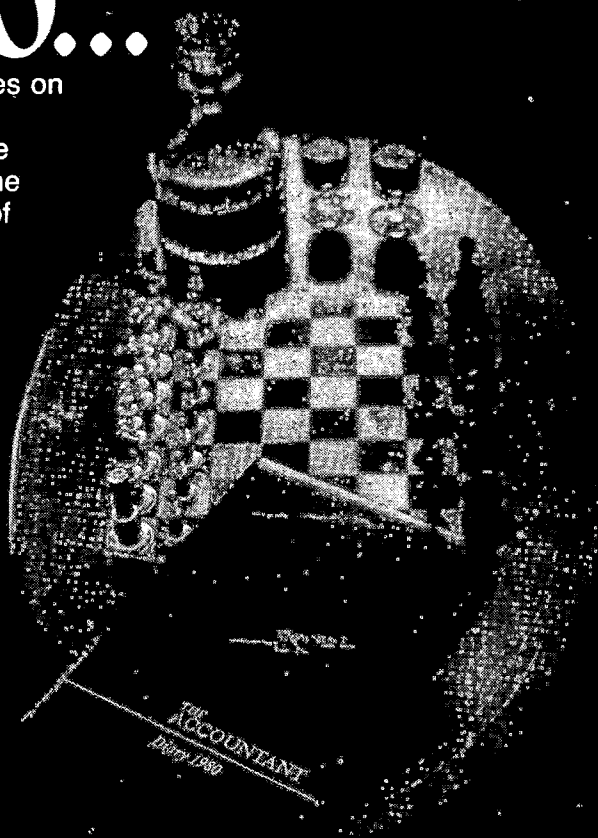
ILP Accountancy Recruitment Limited
4 New Bridge Street, London EC4V 6AA

Your best opening move for 1980...

Success in professional life – as in the game of chess – relies on imagination, foresight and a comprehensive background knowledge. Expertise is built up over a number of years. The 1980 edition of the Accountant desk diary is the 105th; for the pocket diary, it is the 67th. We have marked the beginning of a new decade by radically improving the design and lay-out of both diaries and adding still more information to what are easily the most informative diaries in their field – information which will help you to make the right moves at the right time.

The Accountant diaries not only look good, they are practical working diaries, packed with essential information in general, companies, taxation, financial and professional areas. They are designed for professionals in accountancy, finance, banking, the law, business administration and management.

These diaries are not merely prestige symbols. They are designed for day by day use by the shrewd professional. And a gift of an Accountant diary to a client will flatter, impress – and remind him how farsighted you are.



THE ACCOUNTANT *Diary 1980*

LABEL

NAME _____

APPOINTMENT HELD _____

COMPANY NAME _____

ADDRESS _____

If undelivered please return to
GEE & CO. (PUBLISHERS) LIMITED
151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Notes _____

STRICTLY CASH WITH ORDER

DESPATCH OF DIARIES WILL BEGIN DURING NOVEMBER **NO ACKNOWLEDGMENT OF ORDER WILL BE SENT**

ORDER FORM

THE ACCOUNTANT *Diary*

Please supply	Price each inc. Postage & Packing	Quantity*
DESK DIARY	£5.20	
POCKET DIARY	£4.15	

*insert number of copies required above

Diary Total: £ _____

plus VAT @ 15% £ _____

Remittance enclosed: £ _____

VAT Registration No. 239 1838 41

Registered in England 115503



GEE & CO. (Publishers) Limited, 151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Services Directory

COMMODITY BROKERS

Jeremy Oates Ltd

5 Monument Street, London EC3R 8AJ
specialists in individual Private accounts

COMPANY FORMATIONS

ordans

ordan House, Brunswick Place, London N1 6EE
tel. 01-253 3030. Telex: 261010
specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

ordans

ordan House, Brunswick Place, London N1 6EE
tel. 01-253 3030. Telex: 261010
leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

unley House, Bedford Park, Croydon CR0 2AP
tel. 01-681 7631

over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

25 Seven Sisters Road, London N4. Tel. 01-272 5436

specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814
specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

xtel Computing Ltd

-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

RIPOS - An income scheduling and CGT service designed for Accountants

I.A.C.S. Ltd - Computer Systems and Software

75 Stanley Road, Bootle, Merseyside L20 3LF
tel. 01-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol.
The supply of computer hardware and software for a wide range of commercial and industrial applications.

Ibidlands Computer Centre Ltd

Chfield House, 85 Smallbrook Queensway, Birmingham 5.
tel. 021-643 4743

auditors Time Billing System. Financial and Production systems. Batch and On-Line Processing

Saint Andrew Computers Limited

South St David Street, Edinburgh. Tel. 031-556 7554
computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

A Computers and Telecommunications (PACTEL)

management Consultants, 33 Greycoat Street, London W1. Tel. 01-828 7744. Telex: 8813082

specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Lockman, Copeman & Partners Ltd

Staple Inn, London WC1V 7QH. Tel. 01-405 0663
employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

5 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892
investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Unger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 7 Montpelier Vale, London SE3. Tel. 01-318 4394
Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321
Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353
Telex: 264420. Contact Michael Southgate
Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN
Tel. Maidenhead (0628) 37123

On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA
Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336
(Ring, write or call)

Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE
Branches: 61-63 Beak Street, London W1R 4JA
186 Fleet Street, London EC4
Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB.
Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.

Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH
Tel. Long Stratton (0508) 30324 and 30448
Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843
Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex: 935109
(Open 7 days a week)
Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB
Tel. 01-439 6007. Telex: 299905
Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA
Tel. 01-580 5816. Telex: 24637 WIGMOR G
Full Business Service inc. telex, typing, mail/telephone; offices for short-term hire; photocopying, translating etc

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London, EC4N 6AE. Tel. 01-248 4277.
Members of the Stock Exchange, established 1852.
Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX
Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skales, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332
Telex: 667783 and London

Services include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new buildings, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow
Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561
(and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800
Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA
Course Registrar: Jean Slough. Tel. 01-606 0121/7
CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU
Tel. 01-836 1840 and 01-836 1923
All languages - all deadlines

The Board and Management Audit

by H. WASHBROOK
Business Books, £10

This book is the third in a new series dealing with management for the board and is primarily addressed to the directors of companies and others in general control of business.

The book contains a detailed list of audit checks classified as directorial, managerial, organisational, planning, standard procedures, capital, purchasing, inventories, production, marketing, distribution, financial, personal, data processing, management services, methods and systems, equipment and security. These check lists can be taken as being the foundations for the management audit at all levels.

The audit of the functions of higher management is also covered additionally

in separate chapters in which are discussed management and administrative audits in general, management and administrative techniques, the functions of directors and managers, organisation, equipment and facilities, methods and systems and security.

There is insufficient coverage in the book of the financial side of management audit. Financial control, as an important subject of the management audit is worthy itself of a full chapter. The book is to be commended but should be studied in conjunction with other books on management and operational audits (to which no reference is made in the text) so that a comprehensive management and administrative approach can be made to what the author calls 'a tremendous social and business issue'.

The Board and Financial Management

by B. PRODHAN
Business Books, £9.95

The dust-jacket note to this book states that it is aimed at the practical businessman at or near the top who needs an understanding of the finance function. Judged by this self-imposed yardstick, it seems unlikely that the end-product of the author's matches up to this aim – if only because the style is pitched at a level requiring a degree of mathematical understanding that is unlikely to be possessed by, nor needed by, the majority of men at senior management level in industry.

The book is divided into four main sections dealing with the management of existing businesses, capital budgeting, capital structure and the valuation of ordinary shares. One might have expected that the first of these sections would have rated major coverage, if only to give a comprehensive introduction to

financial management in its broadest sense. It does, in fact, receive the smallest allocation of text and because of the author's concern with mathematical techniques there is very little coverage of the practical aspects of the subject.

Although it cannot be recommended as a general textbook on financial management, it has got considerable value as supplementary reading on specialised mathematical aspects.

An Annotated Bibliography of Corporate Finance

by ROGER and EVA LISTER
Macmillan Press Ltd, £25

The authors have produced a reference book which should not only assist researchers, writers, teachers and students, but also be of interest to those involved in corporate finance itself. No such bibliography has been published

since 1972, and the compilation of a new one is very welcome. The subject is dealt with under such headings as theory and context, capital structure, debt, dividends, leasing and mergers, and each source is summarised. The publications consulted are listed and there is a separate index of authors and another of subjects.

Roger Lister is a chartered accountant lecturing at the Department of Commerce of Liverpool University and Eva Lister is a chartered librarian. They believe that there is much theoretical agreement which needs to be used for teaching and management itself, but has to be drawn together in a common pool. There is an extraordinarily wide field to cover, the subject index covering no less than 1,270 works.

Utilising Company Tax Losses and Reliefs

by NIGEL EASTAWAY and
EDWARD MAGRIN
ICAEW Chartac Taxation Guide, £9.50

A combination of first-year allowances and stock relief has converted the book profits of many companies into losses for tax purposes – a trend that is likely to be accentuated if the forecast recession in trade materialises. In the normal course of events, losses lead to cash flow problems even if they arise from an increased level of stock or the purchase of capital assets; early loss relief then becomes more valuable and the appearance of this book of nearly 300 pages is most timely.

The book is essentially practical and contains over 150 fully-worked examples showing in great detail how the allowances and reliefs available to companies may best be claimed. Apart from day-to-day claims, every conceivable loss or relief is covered including capital losses, company reconstructions, double taxation relief, property development losses and a surprisingly long list of miscellaneous losses and charges such as furnished lettings, sporting rights, waivers of rent and the 'Swiss Roundabout'.

Detailed advice is given on how to convert a bad debt into a debt on a security, although whether such action

Reviews

will be accepted by the Inland Revenue is open to question.

Potential readers (and without doubt there will be many) should know that there are no footnotes, such references being dealt with in bulk at the end of each chapter. It would have been helpful if such pages were coloured for ease of reference.

Understanding Company Accounts

by PETER BIRD

Pitman, £1.95

This book is designed for the reader with no previous knowledge of accounting. As such it covers the balance sheet and profit and loss account using historic costs; a chapter on inflation accounting; the analysis of the accounts by ratios; and the issues raised by *The Corporate Report*. Since the accounts of a public company are reproduced covering 14

pages of what is a small book, this leaves only 94 pages to cover the areas outlined above. This inevitably leads to some of the basic aspects being omitted.

The publishers' description of the book states that it provides a key to the use of jargon and conventions, but little is said about the fundamental conventions of account presentation – eg, 'going concern' and consistency, which are basic to the proper understanding of accounts. The book also tends to lean a little too much on theory and not enough on the practicalities: for example, when dealing with depreciation, theoretically one allows for residual value; but in practice, for simplicity, it is always ignored and assets are depreciated to zero if held for the full life.

While there is much in the book which would be of use to the non-financial manager, it will leave a number of matters unexplained. Incidentally, the cover illustration uses pre-decimal currency ruled paper.

Opportunities for the Small Investor*

by JACK MEDOMSLEY

MEL Publications, 5 Darley Court, Plasworth, Chester-le-Street, Co Durham, £2.25

This book does not set out to show readers how to make a fortune on the Stock Exchange. What it does is to illustrate that in the multi-billion pound UK equity markets there is still a place for the small investor (defined as one with £2,000 or so) who is prepared to chance his arm.

Much of the book is straightforward, factual material about the Stock Exchange intended for the beginner who needs simple investment advice. Mr Medomsley introduces terms such as *bulls* and *bears*, *options* and *account days* and so on, in the belief that investors need to be familiar with the everyday jargon of the market place.

After perusal of this book all students of finance should, at the very least, be able to interpret the *Financial Times* lists of company quotations – however, they will not yet be investment experts. Such terms as *contango*, *backwardation*,

and others are not defined and little or nothing is said about investment in off-shore funds, speculating in London traded options, discretionary investment services, investment trusts or property bonds.

Students are warned not to take too literally all that the author commits to print. For example, the examiner in Financial Management would not be impressed by a student who wrote: 'In one sense, Allied acquired Lyons for very little since it used unissued capital'. Again, the examiner in Financial Accounts would not expect students to define assets as 'What a company is worth'.

Mr Medomsley's book will be popular because it is so easy to read. He makes the subject more interesting by choosing as case study examples such well known companies as ICI, Allied Breweries, Beecham, and others. Provided students are aware of its limitations, this book should prove not only interesting light reading, but also a useful and well presented source of information.

A Business of Your Own*

by S. G. ALBERY

Regency Press, 43 New Oxford Street, London WC1A 1BH, £2.50.

Mr Albery found, as an accountant in practice, that there seemed to be no ready source to discover exactly what problems someone desirous of setting up in business would have to face, and realised that many of his clients would benefit from that information in one volume. The result is a book full of interest, with sharp observation of the facets which confuse the beginner in business.

Perhaps Mr Albery could with benefit have expanded some chapters. One of the problems of an inexperienced businessman is providing for tax on the basis of personal assessment when he has been used to PAYE. Again, under the admirable advice not to deceive the tax authorities, there is a reference to building society interest – which needs explanation, for it involves an innocent rather than a deliberate mistake. It would also be possible to read the explanation of share capital in a limited company without understanding exactly what the shareholders' liability is, because the example does not indicate the paid-up capital; nor does it state the obligation on the directors of an insolvent company.

Nevertheless, it is a useful book, and rightly directs its readers to ask for further 'in-depth' information from their accountants. There is useful reference to legislation affecting businesses, and the chapter 'The Export Company' is excellent.

Terms and Conditions of Contract*

by R. W. OLIVER and A. D. ALLWRIGHT
Institute of Purchasing and Supply, IPS House, High St, Ascot, Berks, £5 + 95p P + P

This book is the latest edition of a booklet first published in 1958 under the same title. Much has happened in these 20 years, including the protection of the consumer by a series of laws which include the Misrepresentation Act 1967,

Reviews

the Trade Descriptions Act 1968, the Supply of Goods (Implied Terms) Act 1973, and the Unfair Contract Terms Act of 1977.

The authors have drawn on their experience with their employers, ICI Ltd and Shell as well as consulting the Office of Fair Trading, and have produced an admirably lucid text which should be valuable to the business man as well as the student and the layman.

Although the buyer is usually the party most in need of this kind of treatise, the seller is also catered for—including the vital *Romalpa* case, in which the Court of Appeal upheld a retention of ownership clause.

Going International

The experience of smaller companies overseas

by GERALD D. NEWBOULD, PETER J. BUCKLEY and JANE C. THURWELL

Associated Business Press, £10

Basing their research on their proven technique of in-depth interviews supported by a lengthy questionnaire, the authors of this book have produced a valuable guide for companies that may be considering establishing a local subsidiary in an overseas territory for the first time.

In the event, some forty-three smaller firms have provided the basic data for their report and, in each instance, they interviewed one or more directors of the participating companies. In writing up their findings the authors have carefully avoided presenting them in the customary format of austere statistical tabulations (although these, too, are available) and they have included a number of vignettes that depict, often with a touch of humour, the practical aspect or consequence of a specific course of action.

In a project of this nature it is obviously the summary of conclusions that provides the focal point for the busy reader's attention. In their chapter dealing with the lessons and problems the authors highlight those points that need to be observed by anyone who is engaged in setting up an overseas business venture of this kind. It may seem obvious that one should have due regard for local cultures and traditions

and ensure that there is an adequate system of reporting back – but it seems that not every company in the survey obeyed these golden rules. However, there were many differences of approach and it is apparent that experiences varied from case to case.

There is much to be learned from this book and it is a worth-while investment for anyone who is involved in planning a 'first-time' overseas operation.

Taxation of Overseas Income and Gains

Third edition

by ANTHONY SUMPTION

Butterworths, £7.80

Since the previous edition was published, there have been two major changes in legislation in the Finance Acts of 1977 and 1978, with the new provisions relating first to foreign earn-

ings under Schedule E followed by very similar reliefs to sole traders and partnerships whose business activities require them to be absent from the UK for at least 30 qualifying days in a fiscal year.

The principles of double taxation relief are explained and, in addition to the taxation of individuals, there are chapters dealing with companies, settlements and trusts and the complications of the transfer of assets abroad. Overseas gains are covered in some detail and the book concludes with comments on the possible dangers of involvement in what are colloquially known as 'offshore funds'.

There is a very useful two-page chart showing in great detail the manifold permutations and combinations of circumstances leading to assessment under Cases I, II & III of Schedule E, and also where there is no liability to UK taxation. A very lengthy table of cases is included, as well as a table of statutes.

The Accounting Responses to Changing Prices*

Experimentation with four models

Available from *American Institute of Certified Public Accountants*
1211 Avenue of the Americas, New York, New York 10036, \$12.50

Rapid development and changes in views regarding accounting theory, beginning in 1975, have dramatically affected the thinking of all who are involved in financial reporting. Accordingly the AICPA appointed the task force which had previously studied the conceptual framework for accounting and reporting to study various proposals of concept and measurement, both existing and forthcoming. This task force developed four basic models as possible alternators (or supplements) to present practice, viz:

Model A: Condensed financial statements based on historical costs but stated in units of general purchasing power;

Model B: Historical cost financial statements incorporating inventories based

on LIFO and with depreciation based on current costs;

Model C: Financial statements based partially on historical cost and partially on current cost values;

Model D: Current value financial statements applying either replacement cost or current values to all resources and obligations as well as recognising the effect of changes in the general level of prices on shareholders' equity.

The models are financial accounting models, ie, models of how to prepare general purpose finance information for investors, creditors and others interested in the financial affairs of business enterprises. Twenty-three companies completed the experiment, 19 of which are in the manufacturing field.

All elements of the profession will benefit from this exposure of material by the task force and the way it is presented in this book.

Reviews

New Books

Tax Planning Review 1979

by LESLIE LIVENS and NEIL THOMAS

Consultants: J. F. Avery-Jones and E. E. Ray

Butterworths, £4.50

This excellent little paperback lists, in alphabetical order and in notebook form under subject headings, all the various points on which there is scope for 'planning' with regard to taxation. The taxes covered are income and corporation tax, capital gains tax, capital transfer tax, development land tax and VAT.

The difference between 'planning' and 'avoidance' is sometimes a fine one, but is perhaps gradually becoming clearer. At any rate the former includes a section on the latter in this book, and one is reminded that the former Chancellor threatened that in future all anti-avoidance legislation would be retrospective.

The book incorporates the ordinary options open to the taxpayer under the law, and in addition the relevant practices, extra-statutory or otherwise, adopted by the Board of Inland Revenue. It should prove a most useful book of easy reference.

Tolley's Tax Cases

Third edition.

by VICTOR GROUT.

Tolley, £7.

To have written a book on taxation which in just over two years has established itself as an essential reference work must be a rare occurrence, and the author doubtless feels well rewarded for the immense amount of toil involved.

This new edition contains entries for over 1,900 cases reported up to July 31st, 1978, and which remain relevant to current legislation. As before, Part I is alphabetical by subject and Part II covers cases within the ambit of Cases I and II of Schedule D.

There are comprehensive cross-references, a full case index, a subject-matter index and a table of statutes. This is an invaluable and quite unique book of first reference to case law in the taxation field.

INDUSTRIAL R&D MANAGEMENT, by Anthony J. Gambino and Morris Gartenberg, x + 134 pp. National Association of Accountants, \$6.95.

INTRODUCTION TO COMPUTERS, fourth edition, by Keith London, 286 pp. Faber and Faber, £3.95 paperback, £8.25 hardback.

PLANNING AND CONTROL IN HIGHER EDUCATION, by Anthony J. Gambino, 110 pp. National Association of Accountants, \$6.95.

SMALL OFFSET PRINT DEPARTMENTS, second edition, by Harry T. Chambers, ix + 217 pp. Business Books, £7.95.

STAMP DUTY AND CAPITAL DUTY, by A. C. Harper, 370 pp. Institute of Chartered Accountants in England and Wales, £9.95.

STUDENT'S MANUAL OF AUDITING, second edition, by V. R. V. Cooper, xxxii + 620 pp. Gee & Co Ltd, £6.50.

TAX AVOIDANCE AND EVASION, by Barry Bracewell-Milnes, 120 pp. Panopticon Press, £3.00.

TAXATION OF OVERSEAS INCOME AND GAINS, by Anthony Sumption, Butterworth Law Publishers Ltd, £7.80.

TRUSTS AND TAX PLANNING, by Patrick Soares, xxxiii + 272 pp. Oyez, £10.

UTILISING COMPANY TAX LOSSES AND RELIEFS, by Nigel A. Eastaway and Edward P. Magrin. ICAEW, £9.50.

THE ACCOUNTING FRAMEWORK, by Ronald Ma, Russell Mathews, Nina Kingston and Pramond Pandey, 258 pp. Longman £7.95, Students' Companion, £3.50 and Teachers' Manual, £7.95.

ACCOUNTING TEXT and CASES, by Robert Anthony and James S. Reece, xxv + 928 pp. Richard Irwin, \$17.95.

FINANCIAL AND ACCOUNTING GUIDE FOR NONPROFIT ORGANIZATIONS, Third edition, by Malvern J. Gross Jr and William Warshauer Jr., xi + 568 pp. J. Wiley & Sons, \$14.60.

INDUSTRIAL ADMINISTRATION, by J. C. Denyer, viii + 168 pp. M&E Handbooks, £1.50.

INDUSTRIAL ADMINISTRATION AND MANAGEMENT, by J. Batty, xvi + 572 pp. Macdonald and Evans, £4.25.

INVESTMENT AND DIVESTMENT POLICIES OF MULTINATIONAL CORPORATIONS IN EUROPE, by D. Van Bulcke, J. J. Boddewyn, B. Martens and T. Clemmer, 244 pp. Saxon House, £9.50.

*MAINTENANCE PLANNING AND CONTROL, by James H. Bullock, xi + 147 pp. National Association of Accountants, 919 Third Avenue, New York, NY 10022, \$6.95.

MEASUREMENT? ACCOUNTING AND ORGANIZATIONAL INFORMATION, by Theodore J. Mock and Hugh D. Grove, xvii + 238 pp. J. Wiley & Sons Ltd, £8.50.

*UNDERHILL'S LAW RELATING TO TRUSTS & TRUSTEES, Thirteenth edition, by David J. Hayton, cxi + 822 pp. Butterworth Law Publishers Ltd, 88 Kingsway, London WC2B 6AB, £37.50.

CORRECTION

We regret that in 'New Books', September 27th, page 429 'The Accountant's CTT Handbook' was wrongly attributed to A. B. MacDougall. The authors are, in fact, David J. Ward and Alan C. J. Donaldson.

These titles (other than those marked *) may be obtained from or through Gee's bookshop.

Circle titles required, fill in the order form and return it, with your remittance, to Gee's bookshop at the address below. Please add 15 per cent to the cover price of each title ordered to cover postage and packing.

If more than one copy of a title is required, write the number to be sent against the circle.

ORDER FORM

Please send the title(s) circled (one copy of each unless otherwise indicated) to the address below. A remittance for is enclosed.

Name

Company

Address

.....

.....



The professional bookshop

151 Strand
London WC2
01-836 0832

Qualifications? Let the experts help you to success

The School of Accountancy have been specialising in preparing candidates for examinations for 65 years. You can benefit from this wealth of experience – either to make sure of success in ACA Exams if you are a student – or to add a second string to your bow if you have already qualified.

ACA Examinations

We are in a unique position to give you the best help available. You will enter your examinations completely prepared and confident of adding to the 30,000 Chartered Accountants that SOA has helped to success.

Institute of Accounting Staff Examinations

We have courses available now for this important new qualification – sponsored by the Association of Certified Accountants for junior and technician staff in offices of practising accountants, commerce, industry or government.

Further Qualifications

A second qualification to add to your ACA will give you even better career prospects. SOA offers highly successful courses for all leading examinations, including ACMA, ACCA, etc.

An ATII will be of great benefit if your special interest is taxation – but the examination of the Institute of Taxation sets a demanding standard. SOA students consistently score success thanks to the clear, comprehensive and up-to-date course material.

Your SOA Course

Whichever course suits your objectives, you will receive personal tuition from experts – backed by concise material which is clearly presented and easy to assimilate. You will be able to study at home – at whatever time and pace suits you best. And you will be on your way to success – like thousands of other SOA students!

POST THE COUPON TODAY FOR FULL DETAILS



**The School of Accountancy
& Business Studies** EST. 1910

The School of Accountancy & Business Studies,
Dept M754 or Dept M754
Intertext House, Intertext House,
Stewarts Road, 341 Argyle Street,
London SW8 4UJ. Glasgow G2 8LW.
Tel. 01-622 9911. Tel. 041-221 2926
or Dept M754 Fox House 37 College Green Dublin Tel 712454
Please send me full details, without obligation, about your courses for:

Name

Address

*Accredited by the Council for the Accreditation of Correspondence Colleges.
Member of the Association of British Correspondence Colleges.*

A cause clients will understand

IF YOU'VE never had anything, you never miss it. But if you've known a reasonable standard of living, imagine the horror of reduced circumstances. We help people who have practically nothing – except memories of happier times in a happier age. Many of your Clients will understand and will sympathise with what we are trying to do. Many of them, if you suggest it, might like to remember us in their Wills or with a Covenant. After all, what greater gift can there be than giving another elderly person something to live for?

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE · VICARAGE GATE · KENSINGTON LONDON W8 4AQ

“Help them grow old with dignity”

Accounting for Inflation

This book has been written to meet the need for a short, reasonably priced study book to cover the examination requirements on accounting for inflation and price level changes.

The author, E. R. Farmer, MSc, FCCA, AMBIM, deals simply and lucidly with the post-war developments in inflation accounting, the limitations of historic cost accounting and possible solutions to the problem, and compares the use of historic cost accounting, current purchasing power accounting (CPP) and current cost accounting (CCA). The concepts of CPP and CCA are described and illustrated, and the Hyde Guidelines are set out with examples.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2 R1JJ.**

Please send copy/copies of
Accounting for Inflation and Price Level Changes
at £2.00 plus 30p postage (airmail £1.25).

Remittance enclosed £.....

Name

Address

A

Banking on the Future

A banking view of the UK economic outlook is that the financial and foreign exchange markets are still undecided between short-term difficulties and longer-term expectations from the present Government's policies. Dr David Lomax, economic adviser to National Westminster Bank, considers that the British economy is at present in disequilibrium with inflation at over 15 per cent, the current account in significant deficit, the money supply slightly above the Government's target range, and considerable uncertainty over the coming six months.

Long-term objectives

The Government's policy of announcing money target ranges, which have almost been achieved, and applying the 'corset' to act, in effect, as a ceiling on banks' advances, has had the effect of applying a necessary anchor to the economic system and ensuring relative stability in the financial markets at least in the short term.

At present the attitude of the markets is largely to ignore any short-term news, and to set interest and exchange rates broadly at levels consistent with the longer-term achievement of the Government's objectives. One would expect, Dr Lomax suggests, that within three or six months at most the markets will wish to base their judgement on a combination of actual short-term events and expectations of the longer-term continuation of the Government's overall financial policies.

One would certainly expect or hope to see a stabilisation of inflation, or a fall, before that time, combined with some improvement in the current account of the balance of payments and a greater expansion of domestic output. It is difficult to see how the authorities can relax their monetary policy measures, in Dr Lomax's view, unless they themselves see this readjustment by the markets and are more confident about the short- and medium-term outcome of their own policies.

While many major policies put forward in the Conservative election documentation are being followed through, it is not yet possible to see the final thrust of the present Government's policy as regards the claims on the real resources from different sectors, and the economic framework and fiscal environment within which companies and persons will operate.

The desired reduction in the PSBR, a very vital element in a policy to provide the private sector with easier financial conditions, could well be moderated or delayed. Control of public spending, Dr Lomax judges, is the acid test of the present administration's stance, and substantial changes are likely to be announced and implemented over years rather than months.

Further major tax cuts will require either an enlarged PSBR or more difficult decisions regarding public spending than have yet been taken.

Government attitude

Against that background, Dr Lomax reviews the British Government's attitude to the European Monetary System and considers that the British attitude to international currency matters and exchange rates is now remarkably similar to that of other EEC countries. But the main problem for the British Government is that market forces are presently extremely powerful and are likely to act on sterling differently from the way they act on other European currencies.

Inflation is higher in the UK than in most other EEC countries, and as an ex-reserve currency sterling still has substantial international use. Non-residents are able to operate relatively freely in the domestic markets, including the short-term markets. These factors apply to no other European currencies.

The British trade pattern is still much more open and world-wide than that of the original EEC countries, and the UK is the only net food importer within the EEC and the only major oil producer.

That means that as new issues or expectations arise in the world economy they are likely to affect sterling in a different way from other European currencies. Therefore, maintenance of a fixed exchange rate on a continuing basis could require systematic and substantial intervention.

In due time British economic integration into the EEC may reach the point where common factors outweigh substantially the currency difficulties. Dr Lomax considers it reasonable to argue that such a phase has not yet been reached.

Higher Return

Save and Prosper's High Return unit trust has recorded a 27.83 per cent increase in distributions during the 12 months ending mid-July 1979. In their half-yearly report to unit-holders, the managers have said that they endeavour to exploit status change in the portfolio. Many of the disposals have been shares which have enjoyed a good capital performance.

Reinvestment of the proceeds has been in 'unfashionable' high-yielding equities, such as Courtaulds, where dividend prospects are sound. Courtaulds is now the fourth largest holding, with the top three being Imperial Group, F. W. Woolworth and Northern Engineering.

Although the managers consider the outlook for the UK market to be generally dull (at least until the end of the year), they believe that the long-term outlook is encouraging, provided the Government's strategies are implemented successfully.

Over-50s Life Cover

To provide life assurance for those over the age of 50 (perhaps, in some cases, where life cover will drop on retirement), Automobile Association Insurance Services Ltd has arranged a scheme with Sun Life Assurance Society Ltd to provide whole life non-profit assurance, without the need for a medical examination – for anyone aged from 50 to 75. A choice of four levels of premium is offered, ranging from £3.57 gross per month to £12.30 gross per month. The

benefit provided, naturally, is dependent on the level of premium, sex and age.

Unlike some schemes for the older person, full life cover is provided at the outset; there is no period of deferment, or any period when reduced benefits apply. The policy acquires a surrender value after it has been in force for three

years, and, in the normal way, from that point onwards, a loan can be obtained from the life office, against the security of the policy, if required. Double benefits are payable in the event of death within three months of injuries being received from a motor accident, while travelling as a driver or passenger.

status and the Cortina or equivalent used by 'reps' as a genuine 'tool of the trade' are likely to remain largely unaffected. But the middle sector, where a car is provided more as a tax-efficient perk than mainly for business use seems likely to suffer with probably fewer and almost certainly smaller cars being bought.

The trend towards smaller cars would be reinforced by making employees pay in full for petrol used for their private motoring. Phillips & Drew guess this middle band to account for 500,000 cars a year and what happens to the car buying pattern in the middle band depends heavily on the taxable benefits finally to emerge from the Inland Revenue's discussion paper.

But possibly 100,000 fewer new cars might be bought each year. The element of movement towards smaller cars in the remaining 400,000 causes the British car industry to fear that tax changes will mean increased small car imports.

The Company Car Syndrome

Because the Labour Government increased direct taxation to an excruciatingly high level it had to provide alleviation in the form of a range of complicated offsets and 'perks'. So developed the 'company car' syndrome with cars for people who rarely if ever used the cars for the company's purpose.

There also developed the BUPA or PPP syndrome and various other bits and pieces that were either introduced by a Government wary even of the effects of its own over-taxation or introduced by companies to keep executives and managers happy during times of wage, and salary freeze. But privileges become rights.

So when a Conservative Government reduces direct taxation there is no end of a brouhaha when the Government also put forward ideas about reducing the perks and the pay offs. And no more of a brouhaha has there been than the one about the company car – and particularly the company car which is really a tax perk and precious little else.

Companies are up in arms, executives and managers bothered, the Institute of Directors in a lather the like of which has never been known before and the motor industry, already sorely oppressed, is despondent.

The motor industry's reaction is summed up by Phillips & Drew in a survey of the industry as:

- (1) If the taxable benefit of a company car were to be raised to near its true value, some employees might well opt for a smaller or cheaper car, involving a lower tax liability or might possibly choose not to take a company car at all. They might choose to buy their own, on a second hand basis.

- (2) A trend towards smaller cars would benefit the importers, whilst any overall decline in demand would likewise hurt the UK car manufacturer.

But to ask what effect a significant increase in the tax burden would have on the demand for cars is equivalent to asking whether, because of the widespread provision of business cars at an unrealistically low cost to the user, we in the UK buy more cars than we would if business motorists had to pay their true costs.

Less acquisitions

Phillips & Drew attempt to show statistically that Italy, with similar real average incomes per head as the UK, acquires less than three-quarters of the number of new cars per head of population than we do. France and West Germany on the other hand do not buy proportionately more new cars as the size of their real incomes relative to the UK might indicate.

There may be some evidence to suggest that the widespread provision of company cars has encouraged a disproportionately high rate of acquisition of new cars in the UK.

If that is so, then, depending on the extent to which the new scale figures approach the true cost of providing a car, fewer people may choose to accept a company car, or more likely, may take a smaller, less expensive one. The theory that people will merely demand, and get, higher pay to compensate for increased taxes on company cars is rejected.

The expensive car, plus driver, provided to top executives as a matter of

Pessimistic

A noticeably higher proportion of UK car output consists of cars over about 1500 cc than is the case in France and Italy and is considered to be the case also in Germany. Some 40 per cent of UK car production is exported and these consist at least in part of BL's large engined Jaguar, Rover, Triumph range. In terms of UK sales, however, high import penetration mainly of small cars, means that small cars probably already represent an average weighting in a European context. Hence, Phillips & Drew consider it might be too pessimistic to assume that a mass exodus down-market towards small cars would emerge.

'In any event' the survey concludes 'such a move might be expected to impact most heavily on the larger engined, expensive cars, so to it seems worth looking at the UK industry's exposure here.

'For cars with engines over 2,500 cc – in total about 90,000 cars or 5 per cent of the UK car market – there are the Rover 2600/3500 series (30,000 units a year) the Jaguar Range (11,000 units a year) Ford's larger Granada (20,000) BMW (4,000) Mercedes (7,000) and odd thousands of larger engined Volvos, Renaults, Peugeots, etc. Of these only the Rovers and Jaguars are UK made,

and arguably they might suffer less than some of the more expensive and exotic imports.'

Phillips & Drew appear to take the view that the industry like the middle

bracket car perk beneficiary is crying before being hurt. After all British car makers lost enormous chunks of their car market to imports while the car perk business was at its height.

Discouraging is the fact that the other 223 societies achieved sales of only some £920 million. Some Co-operative Retail Societies on that basis do less business than the bigger Women's Institute Market Stall Societies.

These WI societies market the produce of their members' smallholdings, allotments and gardens and, in some cases, the products of home and cottage industries.

Sales in 1978 increased by 19.6 per cent to £2.44 million. Five societies had sales of over £100,000 and a further 11 societies had sales of over £50,000. Those 16 societies accounted for 56.6 per cent of the total sales. Growth in sales has been impressive over the past five years. Against the £2.44 million of sales by 83 WI Market Stall Societies in 1978 there were 91 societies with sales totalling only £979,000 in 1973.

Key to growth

The key to the growth, other than the prodigious effort that so many WI members put into most things they do, is in a substantial increase in membership. The 91 societies of 1973 covered 24,586 members, but the 83 societies of 1978 covered 38,794.

Eight fewer societies but 14,208 more members and £1,465,000 more in sales is a five-year productivity record that probably puts some of the Co-operative Retail Societies to shame.

Differential Mortgage Rates

More building societies are introducing differential rates of interest which will be charged to borrowers, dependent on the amount to be borrowed.

The Halifax Building Society has followed the Leeds Permanent by charging additional interest, on a sliding scale, for loans above £15,000. Here, the higher interest rate applies to the whole loan, and not merely the amount of the loan in excess of the threshold.

The Leicester Building Society is expected to introduce differential rates of interest, partly because higher rates of interest are having to be paid to investors for money invested in term shares.

Concern at the Co-op

A combination of changed habits, standards and style have altered the shopping habits of the nation. And one of the major changes has been the decline in the retail market of the Co-operative Societies. For the supporters of the Societies the recent report of the chief registrar of Friendly Societies must have been bleak reading.

The Societies' share of the increasingly competitive high street retail business continues to decline. Last year the general rise in retail sales was of the order of 14 per cent, whereas the retail branches of the Co-operative Societies could only muster an increase of 9.8 per cent.

Absorption or closure

Further analysis shows that the loss of market share was pronounced among the smaller societies which, according to Co-operative Society policy, should either be closing down or absorbed. But the smaller Co-operative Societies, like the smaller building societies, show an obstinate degree of ability to survive.

But their share of the market is falling substantially. Against the 9.8 per cent general Co-operative Society sales rise the major societies were showing gains of up to 16 per cent. That suggests that turnover of some of the small societies may even have decreased in value terms.

Decline in the small societies and the need for mergers and concentration of effort has been recognised within the co-operative movement for many years. Action has been taken to regroup and strengthen the movement within a period of rapidly changing retail trade conditions, but the progress achieved has not been enough.

Eleven years ago the introduction of the regional plan was adopted as essential by the Co-operative Union. The

plan's object was to reduce the number of retail societies in England and Wales to 50. It was an extremely ambitious plan since the number of societies at the end of 1968 was 609.

From 609 to 50 over any manageable length of time is a decidedly tall order. But by the end of 1973 the number of retail societies had been almost halved at 311. The reduction was largely achieved by mergers on a regional basis. But since the end of 1973 the momentum has not been maintained, despite the decision in May 1974 by the Co-operative Union Congress to reduce the societies' numbers not to 50 but to 26.

After the first flush of mergers progress has proved difficult and by the end of last year the number of societies was still as high as 247.

Consolidation of resources

It certainly did not look good to this year's Co-operative Union Congress, which discussed the need for the acceleration of regional plan two (reducing numbers to 26) and for the consolidation of resources in order to maintain the Co-operatives' position in every-increasingly competitive conditions.

The chief registrar's report comments that 'in the view of the Co-operative Union the stage may be approaching when something more than even such proposals as are current may prove necessary to ensure a strong, viable retail co-operative movement maintaining and expanding its share of the consumer market'.

Encouragement should come from the ability of the leading 24 societies not only to hold their own but also to expand their market share. Of last year's £2,787 million sales of general retail societies the 27 leading societies accounted for as much as 67 per cent.

Changing Gilts

The changing profile of the gilt edged market is the subject of a special note in the latest analysis of that market by stockbrokers Wood, Mackenzie & Co. It is only in the last five years that a hiatus in gilt sales has caused a severe threat to funding. Between 1968 and 1974 gilt sales averaged around £600 million a year, with a peak of £1,850 million. Wood, Mackenzie consider it is worth a tentative forward look in order to judge the extent to which the last five years provide a reasonable guide to supply and demand for gilt edged stock. Three trends are emerging.

Buoyancy

The first is the buoyancy of Government revenue. By 1983-84, the likely end of this Government's term of office, North Sea oil will be producing an estimated £7,000 million of revenues against £1,000 million this year, largely from royalties and petroleum revenue tax. In addition the British Gas Corporation will be earning significantly higher surpluses as prices are adjusted for higher values for energy; and British National Oil Corporation should be paying sizeable dividends.

Altogether these sources could produce an additional £6,000 million by 1983 in 1979 terms. Elsewhere the growing significance of VAT should ensure - together with income tax - that revenue is largely indexed to real incomes.

Expenditure control

The second is the control of expenditure. In addition to general controls on existing programmes steady reductions in industrial subsidiaries are planned. Further, a determined attempt is being made to reduce the net cost of the EEC contributions. More fundamentally, the introduction of private capital into public corporations will not only produce cash for the Government but will also switch funding from the public to the private sector. This could lead to a further reduction of £1,000 million of expenditure in 1979 terms.

The third is the growing demand for

Government debt. Over the past five years two trends have been apparent, the rapidly rising flow of pension funds and insurance companies and the increase in sales of 'non-marketable' Government debt. Life and pension fund net cash flows are estimated to reach £15,500 million in 1983-84 to which a further £1,500 million should be added to allow for general insurance.

The total of £17,000 million represents around £12,000 million in 1979-80 terms, compared with the £9,600 million expected outturn in the current year. At the same time, demand for non-marketable debt in the form of National Savings and tax deposits is now running at about £2,000 million a year which is virtually double the 1974 level.

On the basis of these three projections it is considered that the Government's policy of controlling the Public Sector Borrowing Requirement should be

achieved comfortably. Indeed further significant direct tax cuts by 1983 are expected. Thus a reduction in the standard rate of tax to 25 per cent (£2,500 million) and a 50 per cent addition to child benefit (£1,500 million to help the low paid worker) could well be accommodated while modestly reducing the PSBR to £7,300 million in 1979-80 prices.

Assuming £1,300 million of the PSBR was financed by notes and coin, and a further £2,000 million was non-marketable debt, sales of gilts would be in the region of £4,000 million compared with over £5,000 million in the last three years. Such a level would represent around a third of institutional cash flow, compared with half in 1988.

These figures offer only a very broad outline of the shape of future Government borrowing but they indicate that money supply figures are unlikely to continue to be disrupted by a hiatus in funding. Moreover the private sector will be able to have significant recourse to the long-term debt market.

Sales Up, Profits Down

Every firm of chartered accountants has some unusual audits even the most auspicious. Such as Coopers & Lybrand who in their report to the shareholders of Meat Trade Suppliers Ltd: 'As indicated in note 19 to the accounts, subsidiary companies accounting for whole of the group's turnover have been audited by other auditors'. There are eight wholly-owned operating subsidiaries in England and one in the United States. Turnover in the year to last March was £9.12 million for pre-tax profit of £324,106 all turnover and all earned in companies whose accounts the parent company's auditors did not audit.

That is unusual but then Meat Trade Suppliers is an unusual company and Mr W. C. Anstis, chairman and managing director unusual in his annual statement. 'Our (Smithfield) market company' he writes 'is handling the same tonnage of meat as five years ago, but our sales have increased by an illusory 67 per cent, gross profit by 45.6 per cent, expenses by 90 per cent with net profit down.

'If the present trend of inflation was to continue over the next five years and the same ratios to apply as in the past five years, sales over the ten-year period would increase by 179 per cent gross profit by 112 per cent expenses by 261 per cent and we should be operating at a loss. Not being nationalised, and having no oil wells, Smithfield has to face the facts of life immediately.'

He contrasts the way the less efficient in Smithfield go to the wall with 'a different story with the nationalised industries. Their boards give way to the unions demands, and, in many cases, the employees are overpaid and under-worked so that, despite overmanning overtime is usually available. Consequently private industry loses its workers who are attracted to fairyland and, anyway who cares?'

There is more in that vein before Mr Anstis in his final paragraph writes: 'The present government is doing all that is possible in a democracy to try and get us back to normal but it is a pitifully small

effort to that which is necessary. The slippery downhill path is now well oiled and, when the oil dries up there is the cliff of bankruptcy right ahead — no more government debt, no more mortgage payments, but what a catastrophe otherwise. Theoretically speaking the stopping of inflation in its tracks is comparatively easy. A cessation of wage increases, a reduction of our standard of living, a stop to restrictive practices, an increase in productivity and an automatic reduction of imports, followed by an increasing standard of living through lower prices. But that is a pipe dream; nothing but a miracle can save us from the hyperinflation and bankruptcy like that which engulfed Germany over 50 years and resulted in so much misery.'

But earlier in his statement Mr Anstis wrote 'We do maintain a very conservative stance in our accounts. For instance, we still reduce the value of our properties by 2 per cent per annum, despite the fact that their value in paper pounds increases year by year. We also transfer the tax benefit arising from stock appreciation relief to deferred taxation account as against increasing post-tax profits. For 1978-79 this amounted to £54,312 making £140,259 in all.'

Paragraph 16 in the Directors Report headed Accounting for Inflation reads: 'In view of the continuing discussions concerning the most appropriate method of accounting for inflation the directors have decided against presenting inflation-adjusted figures at the present time in order to avoid possible confusion to the reader.'

Big Money, Better Interest

The Cheltenham and Gloucester Building Society, appreciating that some people do not wish to 'lock up' money for a fixed term, so as to secure a higher rate of interest, is offering an extra $\frac{1}{2}$ per cent over the ordinary share rate for each complete six months for which the maximum of £15,000 remains invested.

Known as the Cheltenham Premium Share, not less than £15,000 may be invested and, while withdrawal can take place at any time, the extra interest will not be earned if the amount invested drops below £15,000 during a six-month period.

Rate of Return Declines

According to Confederation of British Industry forecasts the real pre-tax rate of return for industrial and commercial companies (excluding North Sea activities) will decline both this year and next year falling to below the previously worst-ever levels in 1974 and 1975. The decline is due partly to competitiveness which will continue to worsen if unit labour costs increase more rapidly than the average of British industry's competitors and is not fully offset by exchange rate movements.

Falling output will also probably tend to reduce profitability because it will weaken demand so creating competitive pressures in the UK domestic market. In the past declining output has tended to worsen productivity and hence increase unit labour costs. The expected falls in output and profitability imply a depressed outlook for gross trading profits which are expected to fall in nominal terms between 1978 and 1979 and between 1979 and 1980. The rise in profits between the first two quarters of this year probably largely reflects recovery from 'industrial action' and not an underlying upward trend.

Increased borrowing

Pressure on company finances implies that industrial and commercial concerns will want to increase their bank borrowing this year by substantially more than last year when borrowing rose by just under £3 billion. In the first quarter of this year there was a rise of £18 billion and the increase has been rapid since.

The net liquidity ratio of industrial and commercial (total identified deposits dividend by bank advances dropped from around 65 per cent in the last quarter of 1978 to 60 per cent in the first quarter. The latest Department of Industry survey of company liquidity indicates some improvement between the first and second quarters reflecting the recovery in activity during the Spring and Summer. But liquidity is worse than during 1978 when the quarterly average was in the 65 per cent region. The present downward trend is considered likely to become apparent as output growth slows down.

Bank advances continue to rise sharply with the second quarter about 30 per cent higher than the 1978 average. While this pressure on industrial finance persists and the prospect of lower output grows the graph of UK relative unit labour costs continues inexorably to rise. From a 1975 = 100 basis there was a decline to under 90 in the first quarter of 1977 but the rise since then has been strong and the graph indicates that 130 may be reached by the end of this year.

CBI staff estimates indicate that UK unit labour costs in manufacturing for the second quarter were about 20 per cent higher than the average level in 1975 relative to those of industry's main competitors overseas. A worsening of a further 5-10 per cent is likely to have taken place in the third quarter as the result of the higher average level of sterling and the slow down in output growth.

Reduction in stock

Now capital issues have developed at a noticeably faster rate than in the past two years while the indications are that the rapid growth in leasing as a source of finance has continued. But companies that find they are unable to finance their borrowing needs may attempt to reduce stock levels.

While there may be some scope this year for companies to finance, or reduce, their deficits in these ways it will still be necessary for them to increase their rate of bank borrowing substantially compared to 1977 and 1978.

Real pre-tax rates of return in the first half of this year were 4.3 per cent excluding North Sea activities and 5.7 per cent including them. If there is a fall to 1974-75 levels as CBI forecasts the return will drop to well below 3 per cent. Until early 1973 the real pretax rate of return was still fair, around 8.5 per cent, although there had been an irregular fall from 12.3 per cent in early 1965.

But 1973 saw the precipitate drop from just below 9 per cent to a mere 2.5 per cent since when there has been some recovery which the CBI clearly does not expect to continue.

City Notes

Terminal Disease

The United Kingdom and the United States may not necessarily be two nations separated by a common language but they are certainly two nations joined in a common experience of currency weakness and a series of abortive attempts to inject strength. The American experience this year has been the image of the experience of the UK for so many years in the past.

A poor balance of payments performance has led to a weak currency which has led to inflation which has led to a poor balance of payments performance and so the cycle continues. Higher interest rates treat symptoms rather than causes, but nevertheless become essential as part of the currency supporting operation.

But in the end there has to be a major change of direction as there was in the UK when the last Labour Government was obliged to borrow from the IMF and was thereby obliged to follow a prescribed economic course.

In the USA the major change of direction many people outside the country consider a must is a true domestic price for oil. While the US remains shielded by an artificial energy price the symptoms rather than the causes are being treated.

Spilling the Beans

Some takeover operations, although hotly contested, somehow fail to grip investment attention but the Dalgety-Spillers affair has certainly not proved a failure in that respect. Broad reaction to the Dalgety move was that the joining of the two companies made sense, whatever Spillers might say to the contrary, but that the price could possibly do with a few more pence.

Dalgety's immediate profit performance has proved immensely more impressive than Spillers' and, whereas Dalgety have been able to forecast positively, Spillers have only been able to point to hopeful potential. Dalgety's attacking ammunition has been stronger than Spillers' defensive fire.

Dalgety's offer theoretically closes tomorrow (Friday) but can be finally extended until the end of the month. It is yet possible that Dalgety will need to raise the bid to win the day but the Spillers defence is showing signs of exhaustion and Dalgety's siege could still be successful.

Dire Straits

It is not unusual for a company in trouble to call the financial press to a conference to explain itself and for the directors then to find themselves unable or unwilling to answer any of the real questions — such as what happens now? EMI's directors and particularly Lord

Delfont and Sir John Read could not say what was going to be done even though definite action is being taken to return EMI to satisfactory profits.

EMI with two years losses of £26 million on its once vaunted 'scanner' and a past year second half loss of £14.6 million on the 'music' operations, a 50 per cent stake in which was to have been sold to Paramount Pictures for £70 million, leave EMI in dire profit straits. In the past year the group all told made under £2 million profit on sales of £430 million.

GEC, Racal and Associated Communications Corporation are considered potential bidders if EMI fails to reorganise and attracts an all out bid.

Rates and Prices

Closing prices, Monday, October 8th, 1979

Bank of England Minimum Lending Rate				Money Rates			
May 5, 1978	..	8½ %	Feb 8, 1979	..	14 %	Day to day	13½-13¾ %
May 12, 1978	..	9 %	Mar 1, 1979	..	13 %	7 days	.. 14 -14½ %
June 8, 1978	..	10 %	April 5, 1979	..	12 %	Trade Bills	
Nov 9, 1978	..	12½ %	June 12, 1979	..	14 %	1 month	.. 14½ %
						2 months	.. 14¾ %
						3 months	.. 14¾ %
Finance House Base Rate				Bank Bills			
September 3rd, 1979, 14½ %				2 month	14½ %		
				3 months	14½ %		
				4 months	14 %		
				6 months	13½ %		
Certificates of Tax Deposit				Three Months' Rates			
August 3rd, 1979:				Local authority deposits	.. ..	14½ -14¾ %	
interest on payment of tax 14 % + 0 % per annum				Local authority bonds	.. ..	14½ -13½ %	
withdrawn for cash 11 %				Sterling deposit certificates	.. ..	14 -13½ %	
				Euro-sterling deposits	.. ..	14 -14½ %	
				Euro-dollar deposits	.. ..	14½ -14¾ %	
				Inter-bank rate	.. ..	13½ -14½ %	
FT Industrial Ordinary Index				Foreign Exchanges			
October 8th, 1979, 486.8				New York	.. 2.1415	Frankfurt	.. 3.8450
				Montreal	.. 2.4960	Milan	.. 1773.25
				Amsterdam	.. 4.2675	Oslo	.. 10.6400
				Brussels	.. 62.1500	Paris	.. 9.0150
				Copenhagen	.. 11.2400	Zürich	.. 3.4650
Treasury Bills				Gilt-edged			
Aug 3	..	£13.3652 %	Sept 7	..	£13.3485 %	Treasury 13½ % 1997	 105½
Aug 10	..	£13.2760 %	Sept 14	..	£13.4027 %	Treasury 9½ % 1999	 82½
Aug 17	..	£13.2975 %	Sept 21	..	£13.4131 %	Treasury 9 % 1994	 82½
Aug 24	..	£13.3093 %	Sept 28	..	£13.3638 %	Treasury 8½ % 84-86	 91½
Aug 31	..	£13.3397 %	Oct 5	..	£13.3244 %	Treasury 8½ % 87-90	 82½
						Treasury 3½ % 77-80	 94½
						Treasury 3½ % 79-81	 93½
						Treasury 5 % 86-89	 68½
						Treasury 5½ % 08-12	 49½
						Treasury 2½ %	 20½
						War Loan 3½ %	 32½
Retail Price Index (Jan 1974=100)				Tax and Price Index (Jan 1978=100)			
	Jan	Feb	Mar	April	May	June	July
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.8
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1
							230.9
	Jan	Feb	Mar	April	May	June	July
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5
1979	106.1	107.2	108.2	110.5	111.6	113.8	114.9

Training Profile

KEN CROSSLAND, BA, IPFA, joined West Yorkshire Metropolitan County Council from university in August 1975, as part of the first intake to the revised CIPFA Education and Training Regulations.

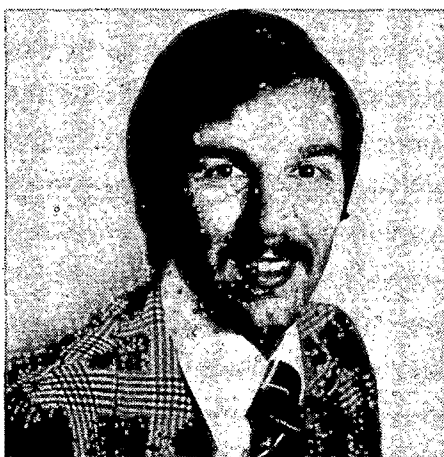
The training scheme offered a three year progression to the CIPFA qualification via three annual examinations, each examination carrying 12 weeks preparatory block release at Leeds Polytechnic, and a specified scheme of training in the office. As a graduate I was exempt from the 9-month foundation course required by the Institute, and instead I needed only to complete a 12 week graduate conversion course, which I did between September and December 1975.

The CIPFA P1 course commenced in January with a 4 week block, complemented by a further 4 weeks in June and 3 in November. The 12th week was spread out through the year, one afternoon per week, to maintain continuity. This 'inter-block' was an innovation by Leeds Polytechnic and was particularly successful in spreading the workload through the year, thus avoiding 'cramming' during the periods of block release.

Trail-blazer

Leeds was also a trail-blazer in that it was the first college permitted by the Institute to hold internal examinations for P1 and P2, that is examinations set and marked by the College Board, albeit with CIPFA members appointed by the Institute as assessors who cannot be overruled by the college. In addition, to ensure reasonable uniformity of standards over the country, CIPFA appoints two further members to the College Board, drawn from its own Examinations Board, who have a guiding, advising and moderating role.

Although this was – and still is – labelled a 'soft option' by some, this was not borne out by the eventual 70 per cent pass rate, being only 10 per cent above the national average. Moreover, it placed the examinations more on a university footing, and in virtually eliminating the



danger of a student meeting a problem for which he has not had tuition, made the examinations more of a test in applying the knowledge acquired during the year, and reduced the luck-of-the-draw element. The success of the Leeds scheme has led to its introduction in several other colleges.

The P1 syllabus – financial accounting and auditing, management accounting, systems analysis, and analytical techniques – is strongly commercial-based. Whilst this appears a good thing in the long term, it does mean that one is employed for over 18 months before undergoing any formal tuition in the public authority financial environment. This can cause problems, particularly since during the P1 year, and also in P2, the regulations recommend that two assignments – miniature projects – be completed in the office. I was lucky in that my assignment could more easily be completed without knowledge of public authority accounting practices, although some colleagues were less fortunate.

During February-May 1976 I worked in the loans office, assisting in the management of the County Council's cash flow requirement during which time I completed a very satisfying project on

cash flow forecasting. In the latter part of the year I was assigned to the payroll section, a rather mundane experience and a complete contrast to the lively business of money market dealing. My second assignment, on recording of pay and accounting for deductions from salary was completed, I think satisfactorily, but without much enthusiasm on my part.

In retrospect, perhaps too much attention was centred on the assignments in the first year and too little on incorporating us into the office setting. The four of us on the new scheme were labelled as a class apart, carrying out 'one-off' training projects and in general, contributing little to the 'normal' office routine – a view which persisted in some quarters almost until we had taken the final examination.

The P2 year was organised along identical lines to the P1 in terms of block release. The syllabus now became more public sector-orientated, with two papers in public authority accounting and audit, and one each in public finance and policy making in the public sector. On the whole I found the contrast of P2 far more relevant to the office situation, although strangely – not being of a particularly numerate background – I found that the reduction in numerical work made the class contact sessions less interesting.

Experience

The training regulations require each trainee to gain experience in internal audit. I therefore spent the first half of 1977 attached to the protective services audit group, dealing mainly with fire and police. The experience in audit, travelling around the country, was enjoyable and the work varied and interesting, affording more personal responsibility than had hitherto been the case. During this spell I completed my third assignment, an audit of two recently opened probation hostels.

I then moved to the highways group in the accountancy section. I found this spell less rewarding, spending most of the time on a special 'one-off' job without ever really being incorporated into the office routine. My fourth and final assignment involved budget preparation on the recreation and arts service.

Student Roundabout

For the duration of the P3 year I remained in the accountancy section, but this time attached to the group dealing with departments such as finance, administration and manpower services. For the first time, no mid-year move was planned and it was thus easier to settle into the group and to take on day-to-day responsibilities. A 12-month stint in the same post was clearly beneficial and I felt that I gained much of the basic experience that I had previously missed.

Novel framework

The P3 examination is probably the most notable departure from standard examination practice. The elements of P3 are a management paper, a decision analysis – case study exercise, and an 8,000-word project.

The management paper is far more practical than in the past, each question being virtually a miniature case study. Decision analysis involves 2 x 3-hour examination sessions: during the morning, the student is given a 'case', consisting of 20-30 varying pieces of information. The requirements, usually some form of report, are not given to the student until the beginning of the afternoon session; thus the student must use his initiative in deciding what analysis to carry out during the morning. The

project is largely determined by the student himself, and is partly completed during work time. It is, of course, very much a practical exercise, in similar vein to the assignments.

Part of the examination involves a *viva voce*, an approach which has been used by West Yorkshire in assessing the training assignments. No part of the examination process for P3 is delegated to colleges. This is undertaken entirely by CIPFA for all candidates.

On successful completion of the final examination I was promoted to my present post in the technical section of the department. There I have been involved in a variety of work areas, including the financial appraisal of the proposed runway extension to the local airport. Moreover, I now find that, as responsibility increases, my work becomes more and more rewarding, and I can begin to think about developing my career into the areas which interest me.

Looking back at the training scheme, it was very much an 'up and down' experience – some interesting spells, but also some frustrations. Much of this can, I think, be attributed to the teething troubles which inevitably accompany a new scheme, but I feel that in the long term the new scheme will increase the quality of the CIPFA qualification.

compared with 37.6 per cent at the same time last year.

The results for Part I were disappointing after the Spring pass rate of 57 per cent and last Autumn's 56.6 per cent. This year only 32.6 per cent of the 242 candidates passed.

Combining the results of the 1979 Spring and Autumn Diets, the pass rate in Part II becomes an even healthier 69.3 per cent (ie 372 of the 537 candidates who sat at one or both diets passed). For Part I, the combined pass rate looks much better at 68.8 per cent, or 436 out of 634. Last year the combined rates for Parts I and II respectively were 70.8 per cent and 607 per cent.

PORTUGUESE TO JOIN UnEAS

Before his resignation as secretary general at the end of last month, Melvin Taylor had secured provisional agreement for the Portuguese accountancy students' organisation – *Associação dos Estudantes do Iscal* – to join UnEAS. According to Melvin, university education for Portuguese student accountants is being threatened by the Government as the World Bank has guaranteed loans only for Polytechnic level education. This is, of course, contrary to the VIIIth Directive and the students are petitioning candidates for the general elections on December 2nd, in the hope of maintaining university education.

ICMA TRAINING AWARD

Pilkington Brothers Limited are the winners of the ICMA Training Award for 1979. This company was held by the adjudicators to provide a sound training scheme which links training with career development.

Highly commended were British Rail, Ready Mixed Concrete and Reed International.

Presentation of the award will be made to Pilkingtons at a luncheon at the Savoy on December 17th.

EXAMINATION NEWS

The ICAEW Examinations Committee has apologised to July 1979 PEII candidates for 'the poor quality of the printing on some result slips', which made it impossible for students to distinguish between an 'F' or a 'P'. (*The Accountant*, October 4th). The Com-

mittee says that the problem was caused by the introduction of computerisation and the use of special stationery and that 'stringent tests are being carried out' to prevent it happening again.

The Committee also announces that for all future examination sessions the results will be posted first class to all candidates on the Friday and the official publication date will be the following Monday.

There will also be a change of order in the December 1979 PEII exam papers – Auditing will be taken at the morning session of the first day and Financial Accounting II in the afternoon.

SCOTTISH EXAM RESULTS

The results of the Scottish Institute's Part II Autumn Exam show an improvement over this time last year. 46.3 per cent of the 268 candidates passed,

LETTER TO ROUNDABOUT

Degree Schemes in Scotland

SIR, – Mr Puxty's article ('Roundabout, September 13th) refers to what is done in England in three years or, in the case of Scotland, four years.

It may not be clear to all your readers that, speaking for Stirling University at least, I believe we do at least the same in three years as is done in England. A General degree can be obtained in three years. Our four-year degree schemes are Honours courses which cover a wider and deeper study of accountancy.

Yours faithfully,
(Professor) J. M. S. RISK.
*Head of Department of
Accountancy and Business Law*

Estimating Yield

by STANLEY LETCHFORD

The trial and error method is that usually recommended for estimating the yield (internal rate of return) from a series of irregular cash flows. An alternative method which is generally both quick and reliable consists of treating the total cash flow as if it occurred at a single point in time and then finding the rate of interest at which NPV (net present value) will be approximately zero.

The notional point in time at which total cash flow is assumed to occur is obtained by taking the weighted average of the times at which each cash flow occurs, the weights being the amounts of the cash flows. Suppose that the initial capital outlay is A_0 and that cash flows A_1, A_2, A_3, A_4 occur at the ends of years 1, 2, 3, 4 respectively. Then the required weighted average time is:

$$\frac{1 \times A_1 + 2 \times A_2 + 3 \times A_3 + 4 \times A_4}{\Sigma A} = n + f$$

where $\Sigma A = A_1 + A_2 + A_3 + A_4$, n is a whole number of years and f is a fraction between 0 and 1.

The present value factor V required to equate the PV of the total cash flow with A_0 is such that:

$$\Sigma A \times V = A_0, \text{ whence } V = A_0 / \Sigma A$$

Next, find from present value factor tables the rate of interest i_1 at which the present value factor v^n is *just greater than* V , and the rate of interest i_2 at which the present value factor v^{n+1} is *just less than* V . In other words, find these present value factors so that:

$$v^n \text{ at } i_1 > V > v^{n+1} \text{ at } i_2$$

Then the actual yield lies between i_1 and

i_2 . An estimate of its value is found by simple proportion, noting that the greater is f the nearer to i_2 the yield will lie. Thus:

$$\text{Estimated yield} = i_1 - f \times (i_1 - i_2)$$

Two examples

In the first example (Table 1) the cash flows are all positive.

Table 1

Year	0	1	2	3	4
Cash flow (£000)	-55	10	30	20	40

Weighted average time =

$$\frac{1 \times 10 + 2 \times 30 + 3 \times 20 + 4 \times 40}{100} = 2.9 \text{ years}$$

Present value factor,

$$V = 55/100 = 0.5500$$

From tables of PV factors, $v^2 = 0.5569$ at 34 per cent and $v^3 = 0.5374$ at 23 per cent.

By simple proportion:

$$\text{Estimated yield} = 34 - 0.9 \times (34 - 23) = 24.1 \text{ per cent.}$$

If time is short, the yield can be fairly confidently given as 24 per cent, rounding to the nearest $\frac{1}{2}$ per cent. Otherwise, discount the cash flows at adjacent rates of 24 and 25 per cent, and choose

whichever gives the smallest NPV. In fact, discounting the cash flows in Table 1 at 24 per cent, their PV is £55,052 which is good enough – although, as the estimate shows, the true yield is fractionally higher than this.

In the second example (Table 2) one of the cash flows is negative, so that one of the terms in the numerator of the weighted average time will also be negative. The method still gives satisfactory results.

Table 2

Year	0	1	2	3	4
Cash flow (£000)	-55	20	40	-30	50

Weighted average time =

$$\frac{1 \times 20 + 2 \times 40 - 3 \times 30 + 4 \times 50}{80}$$

$$= 2.625 \text{ years}$$

Present value factor,

$$V = 55/80 = 0.6875$$

From tables of PV factors, $v^2 = 0.6944$ at 20 per cent and $v^3 = 0.6750$ at 14 per cent.

Estimated yield

$$= 20 - 0.625 \times (20 - 14) = 16.25 \text{ per cent.}$$

In fact, PV of cash flows at 16 per cent = £55,364 and PV of cash flows at 17 per cent = £54,267 so that the yield obtained by the usual method of linear interpolation is:

$$16 + \frac{55,364 - 55,000}{55,364 - 54,267} \times 1 \text{ per cent} = 16 \text{ per cent}$$

which is close enough to the value (16 per cent) obtained by the present method.

The reader can acquire confidence in this procedure by making up a number of examples for himself. My own experience is that, if the estimate is seriously in error, there is usually something wrong with the arithmetic!

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S. and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS
Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

BCASS Looks at Europe

The annual conference arranged by the Birmingham Chartered Accountant Students Society is traditionally designed to broaden the mind rather than concentrate on exam-orientated topics. Recognition of a degree of insularity among qualified members and students alike led to the choice of 'Europe' as the theme for this year's conference. Mr Alastair Jones, FCA, BCASS chairman, who arranged this 30th conference, held at Keele University, provided a variety of lectures covering not only the specific interests of accountants but also more general information on the EEC.

'Internal discord'

The first session was launched by Emile Woolf, FCA, AMBIM, with a lecture on 'The UK Accountant in the EEC shadow'. Discussing the possibility of a changing role for UK accountants in the light of EEC membership assumes both that the profession here has a known and stable role and that it is necessary to adapt. Mr Woolf's argument was that these assumptions are wrong – there is 'a great deal of internal discord and uncertainty' (for example, over the Government's proposals to remove the audit requirements of small companies), an absence of a clear, cohesive conceptual base and a lack of consistency illustrated by the continuous flow of new standards and exposure drafts. He also attacked audit reports, mentioning the conclusions of the Peachey Inspectors that audit reports are hieratic, defective, unintelligible to the layman and insufficient for the expert. When our profession is so uncertain of where it is going, he argued, how can we talk of harmonisation with others?

Turning to the accountancy profession in other EEC countries, he failed to see why UK accountants should adapt to their counterparts who are 'elitist eggheads in the top strata of society'. Harmonisation would be immensely difficult – Germany has no need for standards, as they are already meticulously laid down by law, and France is obsessed with gold bonds. The

bulk of his lecture, however, was concerned with how accountants should have a wider economic role – in particular they could play a part in the UK tax system 'that does not recognise taxable capacity'.

The discussion groups that followed tended to keep within the topics raised by Mr Woolf but the glossy, romantic EEC information film – 'Towards a Citizen's Europe' – shown afterwards brought the Common Market back in to critical focus.

The next speaker, Mr J. M. Renshall, OBE, MA, FCA, gave an extremely informative talk on 'Accounting and Auditing in the EEC', which included a breakdown of the EEC policy-making machinery and Britain's representation on it. Reiterating Emile Woolf's contention that, outside the UK, accountancy is an elitist profession, he pointed out that there are proportionally far more qualified members and students

undergoing training in this country. Elsewhere numbers are kept down with all-graduate entry (often postgraduate!) and extremely long training. In this respect Mr. Renshall wondered how long the UK could continue to be different.

Impact of the Directives

Perhaps even more important, Britain and the Netherlands were alone amongst EEC countries with their self-regulatory professions. The EEC was infringing on this as it attempted to unify the business environment – harmonisation of company law and tax were among the key parts of industrial policy. However, it took a considerable time between the initial report and the eventual directive. Many of those in the pipeline were already part of British practice but there were a few that could have a significant effect – the IInd Directive distinguishes between public and private companies, lays down the minimum share capital and the calculation of profit for dividend distribution on the basis of realised profits over realised losses. The VIIth Directive on group accounts could have repercussions in terms of local autonomy and tax liabilities in its insistence on consolidated accounts but there was a strong possibility that it would get thrown out. Of course, the VIIIth Direc-



After the Guest Night Dinner, speaker Jeremy Hanley (right) chats to conference organiser, Alastair Jones and below (from left to right) to BCASS Committee members Martyn Griggs, Anne Cottis and Julie Beck, honorary secretary.



Student Roundabout

tive was a cause for concern as it would, for the first time in British history, lay down in law the qualifications of auditors. In final form it would probably insist on an all-graduate profession and auditors would have to be 'independent' and the French definition excludes any managerial or ancillary services being undertaken by a company's auditors.

The previous speakers had touched on the differences in education and training and Professor Trevor Gambling carried on to describe 'Educating the European Accountant' in more detail. His very amusing manner meant that his audience spent as much time laughing as listening but he did manage to pass on some of his discoveries. A two-tier system is in operation in most other countries, he said, the elite qualifying much later (from about 28 in Denmark to about 40 in the German Federal Republic). Also, unlike the 'private club' of the ICAEW, the profession in other countries is state registered. The main part of his talk was concerned with the content of under and postgraduate degree syllabuses.

The topic of the next lecture swung away from accountancy to 'The Businessman in Europe', Mr J. M. Beckett, MA, MIQ, passed on some general business tips gained from his own experiences in Europe. Before taking the audience through his observations on each EEC member country, he enlightened them with the European view of the British — honest and gentlemanly but 'wilfully amateur', arrogant, anti-European, inconsistent, lazy and too fond of striking.

Finally, on the EECs impact on business he was pleased with the removal of most of the tariff barriers. Although the CAP resulted in surpluses, self sufficiency was more important than lower prices. Of particular interest was his comment that the strongest motive behind the EEC was a political one — and not so much for protection against external powers but to lower the possibility of war within the EEC. France and Germany were binding their economies together to make it virtually impossible for them to go to war with each other, and the other EEC countries were equally concerned. The English, with their complete failure to understand this, have irritated the others with their concentration on 'nitty-gritty arguments'.

Surprisingly enough, the debate on whether or not withdrawal from the EEC would be best for the UK generally and the accountancy profession in particular, generated little enthusiasm at first. Speakers for the motion, Mr Derek Zissman, ACA, and Julie Beck, BCASS honorary secretary, managed to achieve a slight swing in their favour but the final vote went in favour of the speakers against the motion, Mr David Gill, FCA, and Richard Clarke, Committee member.

Throughout the conference there was an atmosphere of easy camaraderie between qualified members and BCASS students. This was particularly apparent during the Guest Night Dinner, and the chairman and conference organiser, Mr Alastair Jones, FCA, thanked the group leaders for their participation. Also present was BCASS President Mr Peter Jones, FCA, (no relation!) and the guest speaker Mr Jeremy Hanley, FCA, director of Financial Training Co. who had some

serious points to make after a succession of humorous jokes and impersonations. Commiserating with those who have just failed PEII, he said that 'the exams are far too difficult for any normal human being. Your principals had nothing to pass and you are the victims of the failings of the past'. He urged students not to give up trying for a qualification which is 'the greatest and most valuable asset you can have'. The profession was under attack from the EEC countries who cannot understand the broad and flexible nature of the UK profession. It was under attack from the public — liability for negligence meant that the profession had to be much better than in the past — 'and you students are having a hard time as the profession drags itself into the eighties'. If trainee accountants realise this and struggle on they will enter a respectable, high salaried and secure profession. 'Now you have got to become a chartered accountant before you pass the exam'.



'Hot Gossip', winners of the 1979 Williams & Glyn/CASSL Accumulator competition, came up from the country last week to receive their prizes. The three students from Edwards and Keeping of Dorchester, finally got to handle some hard cash after months of dealing in paper money and profit. Presenting the students with their prizes at Chartered Accountants' Hall the President of the ICAEW, Mr David Richards, wondered whether there was 'any special magic in the environment of Dorset' and even more pertinently 'did the students do any normal accountancy work during the competition! Our picture shows Mr Richards trying to pick up some 'hot gossip' from the winners who are from left to right Peter Smith, Jonathan Deacon and Stuart Veitch.

Notice Board

PROFESSIONAL NOTICES

Bowman, Grimshaw & Co of Blackpool announce that Mr G. F. Riley, senior partner, has recently retired. He will continue to be available to the continuing practice as a consultant.

Francis S. Clarke & Co and Pannell Fitzpatrick & Co announce that they have concluded arrangements under which Francis S. Clark & Co will be practising in association with Pannells from October 1st 1979.

Kidsons, together with Elliotts of Ilford and Brentwood, announce that from October 1st, 1979, they have entered into a close association which will be followed by a merger on May 1st, 1980, when Mr Ronald R. Elliott, BCom, FCA, and Mr Glenn W. Start, ACA, will become partners of Kidsons. The Ilford and Brentwood offices will practice under the name of Kidson Elliott.

Knox Cropper announce that as from October 1st their offices are at 16/18 New Bridge Street, London EC4.

Thomson McLintock & Co, Chartered Accountants, announce that Mr Kenneth J. M. Ritchie, MA, CA and Mr Donald Drysdale, CA, were admitted as partners on October 1st, 1979. Mr Ritchie will be based in Edinburgh, and Mr Drysdale in Glasgow.



Mr K. J. M. Ritchie



Mr D. Drysdale

APPOINTMENTS

Mr Garrett Forde, FSCA, FIMA, has been elected President of the Irish Association of Company and Commercial Accountants, and chairman of its council, for the year 1979-80.

Mr Derek Henson, FCA, has been elected to the board of J. Sainsbury Limited as director and financial controller.

Mr Peter F. Slade, BCom, FCA, ACMA has been appointed group financial director of Lesney Products & Co.

Mr Austin Reid, CA, has been appointed managing director of Hertz Rent-A-Car United Kingdom and a director of Hertz Ireland.



Mr A. Reid



Mr M. G. Thomas

Mr Malcolm Glover Thomas, FCA, has been appointed group chief executive and a director of the Commercial Bank of Wales.

THE WORSHIPFUL COMPANY OF CHARTERED ACCOUNTANTS Annual Service

The Court of the Worshipful Company of Chartered Accountants in England and Wales has decided to inaugurate what it hopes will become an annual tradition with a service at the Church of St Lawrence Jewry next Guildhall at 12 noon on November 14th. A central part of the worship will be a lecture on 'Morality in the City', with particular reference to the accountancy profession, to be delivered on this occasion by Professor Brian Griffiths, professor of business studies at City University.

The Master and Wardens hope that this event will be well supported, and remind members that guests will be welcome. The service will be followed by a buffet luncheon at Chartered Accountants' Hall.

Tickets for the luncheon, price £11.50 including VAT, are available from the Clerk to the Company at 81-87 Gresham Street, London EC2V 7DS, and will be issued in strict order of application.

CHARTERED ACCOUNTANTS' HOCKEY CLUB

The new secretary of the Chartered Accountants' Hockey Club is Mr Michael Thomas (office Luton 28522, home Gerrards Cross 83682), who would be interested in hearing from those wishing to play for the Club.

NEW MEMBER FOR INSURANCE BROKERS COUNCIL

Mr Denis Alfred Marshall, Vice-President Designate of the Law Society, has been nominated as legal member of the Insurance Brokers Registration Council. He succeeds Lord Mackay of Clashfern, who recently resigned from the Council following his appointment as Lord Advocate.

ICMA LIST OF MEMBERS

The 1979-80 list of members of the Institute of Cost and Management Accountants is now available. Copies are available free of charge to members, who should complete the order form in the June issue of *Management Accounting*, page 11.

Copies are available also to non-members at £13.50 each (cash with order) from the Institute's offices at 63 Portland Place, London W1N 4AB.

INSOLVENCY PRACTITIONERS ASSOCIATION

Luncheon

The President and Council of the Insolvency Practitioners Association gave a luncheon recently at Chartered Accountants' Hall. Among the guests were Sir Ian Percival, Solicitor-General; Mr P. A. Brown, Deputy Secretary at the Department of Trade; Mr N. L. Hall, Master of the Solicitors Company; Mr W. G. Mackey, FCA; Mr J. E. H. Davies, FCCA, JDipMA; and former Presidents of the Association.

TAXATION FOR OFFSHORE PRACTITIONERS

As a postscript to *The Accountant's* recent Channel Islands feature, the Association of Certified Accountants has drawn attention to the satisfactory response, in both Jersey and Guernsey, to its course 'Looking at UK Taxation from the Channel Islands'.

This suggests that there is a real need for Channel Islands practitioners, who are not concerned with details of all UK taxes, nevertheless to have an overall view of relevant UK taxation as it applies to the Channel Islands, and the special problems involved. A similar course in the Isle of Man is proposed for March 1980.

Notice Board

THIRD WORLD NEEDS CO-OPERATION

Co-operatives in many countries 'still need expertise on subjects ranging from supermarket management and agriculture to accountancy', according to a recent report in *The Guardian*. The principles of the co-operative movement, first established at Rochdale in 1844, have been widely espoused in the world's developing countries, particularly in agriculture.

Dr Robert Hulton, chief education officer of the Co-operative Union, is hoping to set up a register of volunteers with specialised business or industrial knowledge, to go on short advisory tours abroad. He can be contacted at the Co-operative College, Stanford Hall, near Loughborough.

ICMA DIRECTOR OF POST-QUALIFYING EDUCATION

Mr Nigel A. Quin, BA, DMS, has been appointed technical director of post-qualifying education at the Institute of Cost and Management Accountants. He was formerly manager of continuing education and careers at the Institution of Electrical Engineers.

ARTHUR YOUNG LECTURE

Professor George Benston, BA, MBA, PhD, CPA, of the Graduate School of Management, Rochester USA, has been named as the Arthur Young Distinguished Lecturer for 1979. He is to address an invited audience in the Boyd Orr Building of Glasgow University, on October 23rd, on 'Corporate financial disclosure and the relevance of accounting standards'.

A former visiting professor at the London Business School, Professor Benston has also been elected by the American Accounting Association as its Distinguished International Lecturer for 1980.

CHARTAC TECHNICAL MANUALS

A new series of Chartac Technical Manuals for professional accountancy practices is to be launched this winter by the ICAEW.

Devised as a companion to the *Chartac Administration Manual*, the series will comprise loose-leaf manuals on accounting, taxation and auditing and will contain narrative sections, forms, check lists and standard letters. An annual updating service will cover any significant legislative changes or pronouncements affecting the content of the manuals.

The *Chartac Accounting Manual* will be the first to be published, followed by the *Chartac Taxation Manual* and the *Chartac Auditing Manual*. A model file common to the accounting manual and auditing manual will be published separately as a bound publication.

The list of contents for the accounting manual includes the following sections: general administration, accounts preparation, accounts finalisation, technical notes, management accounting, other accounting work, forms, check lists and pro-formas.

The *Chartac Accounting Manual* will be published by Gee & Co at a price of £45. If ordered now it will be made available at the special pre-publication price of £35, plus £1.30 for postage and packing. This offer will be extended to

the taxation and/or auditing manuals provided that those wishing to purchase the manuals indicate their intention to do so now and send their remittance on receipt of invoice one month before publication. Inquiries and orders for the special pre-publication offer should be sent to Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ.



Mr James Hetherington, LLB, IPFA who has been City Treasurer of Manchester for the past six years, has been appointed town clerk and chief executive to the City Council.

Mr Hetherington, who takes up his appointment on October 15th, was appointed deputy treasurer with Solihull County Borough Council in 1962 and city treasurer with Exeter County Borough Council in 1966. He went to Manchester as city treasurer in 1973.

Among his many professional appointments, he is chairman of the North West and North Wales Region of CIPFA; a member of the Grants Working Group dealing with the annual Rate Support Grant negotiation; and adviser to the Finance and Rating Subcommittee of the Policy Committee of the Association of Metropolitan Authorities.

John Foord
chartered surveyors
plant and machinery valuers



Victoria Valuers

stocktaking
inventories
and asset
valuations

9 Golden Square
London W1R 3AF
01 434 1718

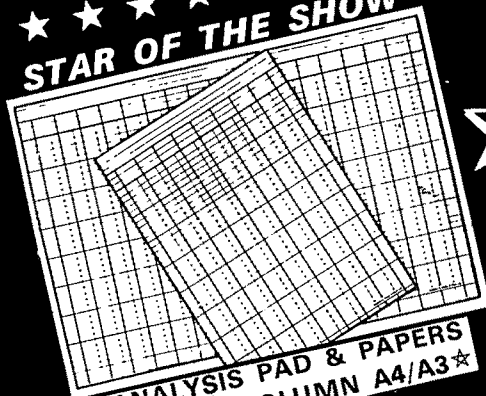
**industrial
retail
wholesale**

stocktakers and advisers on stocktaking procedures

BY ARRANGEMENT WITH BOWEN & COURT LIMITED

★ THE BOWCOURT ANALYSIS SHOW ★

★ ★ ★ ★ ★
STAR OF THE SHOW



ANALYSIS PAD & PAPERS
★ 8 & 16 COLUMN A4/A3 ★

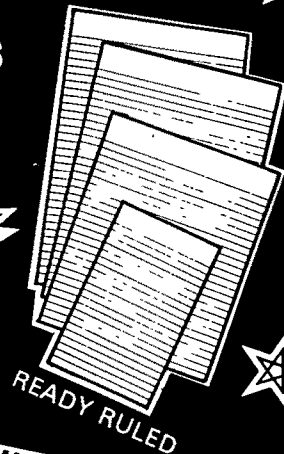
★ TOP DOUBLE ACT
★ QUERIES ON ACCOUNTS
★ QUERY/ANSWER ★

BOTH A4 SIZE

BOWCOURT ANALYSIS PADS AND PAPERS

★ STAR ATTRACTIONS
★ ★ INCLUDE ★ ★

DEBIT & CREDIT
FORCOL
ABSTRACT
DOUBLE RULED



★ READY RULED ★

★ FULL SUPPORTING CAST
★ OF BUSINESS EFFICIENCY
★ PADS ★

★ FEATURING THE VERY POPULAR
★ TRIAL BALANCE PADS & PAPERS ★

★ NEW STARS OF TOMORROW ★
VAT RETURN BANK RECONCILIATION
ANALYSIS PR ANALYSIS 53

★ SEND TODAY FOR
★ DETAILED LIST AND PRICES
★ PHONE 01-659 1931 ★

★ 7 GARDNER ESTATE · KENT HOUSE LANE · BECKENHAM · KENT BR3 1JR ★

You've made a great deal of your property for years but

KF&R know how to get the most out of it

We will make that property portfolio really work for you
We expose the hidden growth potential
We value, manage and constantly monitor performance
We realise potential by selling, by redevelopment
or by lease renegotiation
We challenge your rating assessment
We will upgrade the overall quality of your property holding



Knight Frank & Rutley

Probably the most diversified property service in the world

Editor:

M. Barradell, LLB, FCA

151 Strand

London WC2R 1JJ

Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5464

OCTOBER 18th, 1979

In this Issue

534

The National Accounts

538

Putting Sheffield on the Map

541

Challenge of the 1980s
Renny Englebert

550

Security for VAT Obligations

555

Objectives of a
Corporate Report
Henry Lunt, BCom, MCom, FCA

561

Special Feature
'Business Efficiency'

581

Cycles on the Brain

Current Affairs 534

This is My Life 540

Accountant Abroad 541

Letters 549

Revenue Report 550

Student Roundabout 555

Financial Accountant 581

Notice Board 587

Cover: Business Efficiency is the subject of this month's special feature on page 561.

Income and Wealth

Ten years ago the story of the Inland Revenue's activities was contained in a slim booklet entitled the Annual Report of HM Commissioners. Nowadays this is supplemented by the statistical volume generated by the Statistics Division of the department.

Inland Revenue Statistics 1979 (HMSO, £6) provides a sharp reminder of the scale of income tax and the impact of inflation upon the Revenue's annual receipts. In 1928-29 some 2.2 million people paid income tax; even ten years later, before the war, the number was below 4 million. With PAYE established, the number of married couples (counted as one unit) and others reached 14 million by 1948-49, but it was not until 1962-63 that the total reached 20 million, where it has remained since. In that latter period, the number of tax-paying wives has risen from 3.2 to 4.8 million.

According to the latest figures available, 1976-77, personal incomes under £2,500 represented one-third of all incomes in number; they accounted for one-sixth of the total of such incomes and contributed one-tenth of tax collected from all personal incomes. In contrast, the number of incomes over £10,000 represented only 2 per cent of all personal incomes; but they accounted for some 7 per cent of total personal incomes and one-sixth of the total tax from personal incomes.

As the Chancellor of the Exchequer will have noted, the bulk of incomes falls into the middle ranges. For example, over two-fifths of total personal income went to incomes between £2,500 and £5,000 and a slightly smaller proportion to incomes between £5,000 and £10,000.

The most noteworthy feature of those income groups is that their tax contributions are, in terms of the total tax collected from personal incomes, almost pro-rata with their share of income, ie 39 and 32 per cent respectively. It is arguable that any further reduction of income tax ought to be considered in the light of these figures.

The expansion of data on wealth distribution is doubtless attributable to the demands of the Diamond Commission. Certainly, the new data are impressive in their range and detail, although the statistical basis of the estimates precludes precise conclusions being drawn about the pattern of distribution. In 1977, some 3.7 million individuals owned wealth in excess of £130,000 million - a sum equal to 62 per cent of all private wealth in the UK. Of the former total, women owned some £50,000 million.

In the data on Schedule D earnings, classification by professional groups shows that, among accountants practising in partnerships, two-thirds of their number earned over £7,000 in 1976 and, of that number, just under half were assessed on incomes in excess of £15,000. On the other hand, only 10 per cent of sole practitioners were charged on earnings in excess of £7,000.

The National Accounts

The latest edition of the annual Blue Book, *National Income and Expenditure*, for 1979 (HMSO, £9) provides its customary if somewhat indigestible feast of economic statistics. If they no longer seem to ensure effective management of the national economy, they do at least record its current drift.

In 1978 the gross national product at factor cost was estimated at some £142 billion; in 1974 the equivalent figure was about half, ie, some £75 billion. If that increase had been a true measure of the growth in output of goods and services in the UK, then the state of the national economy at the present time would truly be a matter for rejoicing. As measured by the index of gross national product with the base year on 1975 output, it would appear that over the past four years there has been an increase in real terms of less than 7 points. Given the measure of estimation involved and the limitations of the index, even that figure probably overstates the actual rate of growth.

Consumer expenditure at market prices totalled last year just over £96 billion out of gross domestic product estimated, at market prices, at £161

billion. Expenditure taxes amounted in 1978 to over £23 billion, while the figure for government final consumption is nearly £33 billion, or one-fifth of total domestic expenditure. Gross capital formation totalled some £29 billion, equal to about 18 per cent of GDP at market prices, about which percentage it seems to have fluctuated for the past decade.

Total corporate income last year amounted to some £35 billion, compared with over £9 billion in 1968. Over the same period payments of dividends and interest together rose from £3.6 billion to some £10.6 billion and tax payments of £3.8 billion in 1978 were almost exactly three times as great as ten years ago.

Wages and salaries rose from some £24 billion to £84 billion in the decade ended in 1978; and total income from self-employment, after providing for depreciation and stock appreciation, increased from £3 billion to £11 billion over the same period.

In short, the story the figures tell of the course of the UK economy is considerably more dull than some of the tables themselves.



Mr N. Hepworth

either income tax or VAT – the only two taxes at present yielding a higher revenue than the municipal rate. Such a move would be completely unacceptable, he forecast, to any government; nor could central government countenance the possibility of differential rates of local income or sales taxes in different areas.

He did not accept as an 'anomaly' that domestic rates made no allowance for the number of wage earners in a particular household. Rates were a tax on the occupation of property and not specifically on individuals.

The centralised finance of local activities, he concluded, would change the role of local councillors from effective decision-makers to a local pressure group:

'That is not what local government is about. The survival of local government as a responsible and purposeful organisation depends upon the survival of domestic rating as a local tax. There is no practical alternative source of revenue over which local government will have the same tax rate-setting powers as they have over rating.'

'If domestic rating is lost, so is an effective local government system.'

Waiting for You . . .

There is something of a 'chicken and egg' situation between the business community and the Inland Revenue over the acceptance of current cost accounting,

Practitioners Must Insure

Adequate professional indemnity insurance will be a compulsory requirement, as from January 1st, 1980, for members of the Association of Certified Accountants wishing to take out or renew their practising certificates. Other conditions for continuing to hold a practising certificate are that the member complies with the statement on professional independence as set out in supplement 7 to the Association's *Members' Handbook*, and with Council recommendations on continuing professional education, and that adequate arrangements are made for the continuation of the practice in case of death or incapacity.

The Institute of Chartered Accountants in England and Wales con-

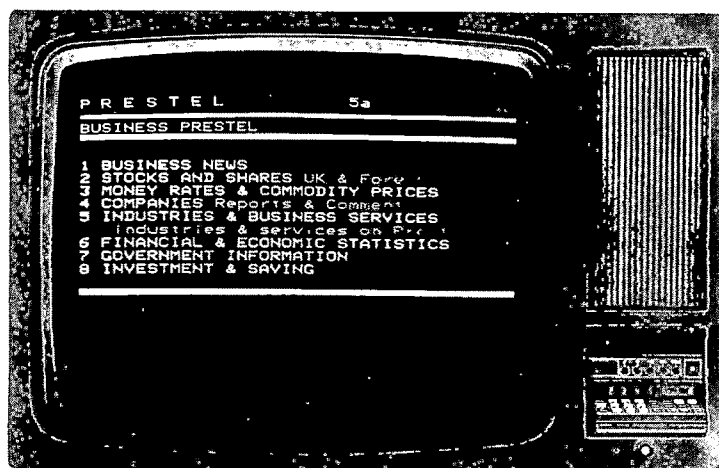
firmed last week that professional indemnity insurance for practising members is 'strongly recommended' but not at present mandatory. The Institute has a group insurance scheme (details available from Chartered Accountants' Hall), but members who prefer to make their own arrangements from professional indemnity cover may continue to do so.

Rates Must Stay

There is no practical alternative to domestic rating as a source of local government finance, CIPFA's recently appointed Director Mr Noel Hepworth claimed last week. The alternatives of local income tax or local sales tax were completely unrealistic.

To compensate for the loss of domestic rate revenue would mean an increase of the order of 5p in the £ in

BRITISH BUSINESSMEN WOULD BE BETTER OFF SITTING BACK AND WATCHING THE TELEPHONE.



Not waiting for it to ring. But to keep them in the picture about exactly what is going on outside the door of their office.

With a constantly updated stream of vital information that might make or break a business.

Through a system called Prestel – a new Post Office Service.

What is Prestel?

Prestel is a computer-based service that puts information at your fingertips. It's inexpensive. It's easy to use. This is how it works.

You buy or rent a special Prestel television set from your local TV supplier.

The Post Office then connect the television to your phone. Each television has an easy to use control keypad.

Press a button and you've instant access to 150,000 pages of information. Information that is constantly being updated and added to.

Latest Company News and Profiles, Currency Exchange Rates, Share Prices, Key Financial Facts, News and Travel Information, Restaurants, Commercial

Property, Law, the list is virtually endless.

All available in seconds.

Much of the information available on Prestel is from well-known organisations. Like Fintel (Financial Times and Extel), The Stock Exchange, Data Stream, The Economist, The Central Statistical Office, and A.P. Dow Jones, to name but a few.

How much?

Perhaps the most surprising thing about Prestel is what you pay. Its cost structure is such that it is now one of the most cost effective information services in existence.

When and where?

It's now available in London.

Very soon it'll be available in Birmingham, Manchester, and Edinburgh. With other centres following rapidly.

For more information, and a list of selected showrooms, just send us the coupon below (no stamp needed). Or dial 100 and ask the operator for Freefone 2043.

From this month onwards, watching the phone could well mean more business – not less.

David Pateman, Prestel Headquarters,
FREEPOST, London EC4B 4PP.

Name _____

Address _____

Postcode _____

PRESTEL® The Post Office Viewdata Service. A.I.



Current Affairs

according to Mr James Fisher, FCCA, Scottish Branch President of the Association of Certified Accountants. He told a recent seminar that 'acceptance of the principle of CCA by the Inland Revenue as a means of ascertaining corporate liability to tax is essential for its general adoption. At the same time, the adoption of the principle of CCA by all forms of business is necessary for its acceptance by the Inland Revenue. Organisations not presently within the proposed scope of the CCA standard – and this means small businesses in particular – should be encouraged to adopt CCA principles as soon as possible'.

Mr Fisher also called for trade associations to take a more active role in the provision of suitable indices for CCA purposes, and for current cost information to be audited. This, he suggested, was unlikely to present any more difficulty than the conventional audit of historical accounts.

Insurance Truce

The banks have agreed to restrain their managers from selling in-house insurance from a basis of 'unfair competition'. About twenty such cases

investigated in the last year by the British Insurance Brokers Association were found to give grounds for complaint.

By an agreement made last week between the BIBA and the clearing banks, private financial information must not be passed to the banks' insurance salesmen. Conditional lending – the granting of a loan conditional upon taking out insurance though the bank's own insurance services – is also outlawed.

Not Enough Accountants

'There are not yet enough accountants in the higher positions of the Civil Service', Sir Ian Bancroft, GCB, admitted last week to an audience of London chartered accountants. Sir Ian, Head of the Home Civil Service, was the principal guest at the first of the London Society of Chartered Accountants luncheon meetings for 1979–80.

He said that there were now about 1,000 qualified accountants in Whitehall, some of them in specialised appointments with such departments as the Inland Revenue and the Insolvency Service. In other words, central govern-

ment employed barely one per cent of the nation's accountants while disposing of some 30 per cent of the gross national product.

'We have too few accountants and we want more', he continued, 'but in this we have to compete with the seductive world of professional practice, industry and commerce'. The Civil Service was actively expanding its recruitment and training procedures for accountants, and its training schemes were showing pass rates significantly above the national average. Sir Ian paid tribute in this connection to the work of Mr Kenneth Sharp, TD, MA, FCA, Head of the Government Accountancy Service and also a guest at the luncheon.

In a final reference to the role of the Civil Service, Sir Ian declared that he was, of necessity, an optimist about both the Service and the country. 'We need to be as open as we can be', he said, 'and to acknowledge our mistakes when we make them'.

Forgery Charge Against Accountant

The genuineness of a photocopy is to be challenged this week in Chelmsford Crown Court by the Inland Revenue. Charges of common law fraud, forgery and uttering a forged document have been brought by the Revenue against Mr W. R. Rogers, FCA, of Romford, Essex.

Mr Rogers is alleged to have produced the disputed photocopy in support of a claim that notice of election for April 1965 valuation was validly given, within the statutory time limit, in connection with the sale of two properties by a client. The Revenue case is that no valid notice of election was given, and that Mr Rogers' claim in this regard is false.

The amount of corporation tax in dispute has been put at over £24,000.

Making the Parent Pay

Support for the principle of responsibility by a holding company for the debts of its subsidiaries ('My Brother's Keeper', *The Accountant*, September 27th) has come from the Society of Conservative Accountants.

Among changes which SCA is pressing to introduce into a future Companies

Whittling Down the Work

Six days shalt thou labour, says the Bible, and in Biblical times life was hard. There was no such thing as unemployment; slavery was the order of the day.

The last hundred years have dramatically whittled down the working week. The ordinary office worker works perhaps 35 hours out of 168; in manufacturing industry the 40-hour barrier has been burst. It would be nice to say, as do the chorus in *King Henry V*:

O noble English! that could entertain
With half their forces the full pride of France
And let another half stand laughing by
All out of work and cold for action.

It might have been true at the time of Agincourt, but not today. So many of our chaps stand laughing by while in work – not refreshing themselves for a short, hard, satisfying stint. We are aware of our low productivity, and of trade union practices which demand overmanning and can only produce bored and irritable workers.

More overtime is worked in Britain than any other Western European country: are demands for shorter hours anything more than a claim for a higher proportion of the standard working week to be paid at premium rates? It used to be said that 'there is always work and tools to work withal, for those who will: and blessed are the horny hands of toil'. Now, they tell us, the 'explosive growth of new labour-saving technology' and the ever-growing life expectancy demands that the work be spread around.

Anyway, are your hands horny? You had better look to them, O accountants, as well as to your laurels, and get back to the land. The answer lies in the soil!

Current Affairs

Act are that payments to group companies within two years of a winding-up should be treated as fraudulent preferences unless proved to have been on an arm's length basis; that a holding company's liability to contribute in the winding-up of a subsidiary should be increased; and that section 322 of the 1948 Act (which invalidates floating charges) should be extended from 12 to 24 months in the case of a holding company.

Second Time Leinster Winners

For the second year in succession, the overall prize in the Leinster Society of Chartered Accountants Annual Awards for published accounts has been won by P. J. Carroll & Co. This year's entry was praised particularly for its treatment of current cost accounts, reporting to employees, divisional reporting, and the inclusion of a value-added statement. The main activities of the group – now called Carroll's Industries – include tobacco products, chemical and printing interests.

Despite the stagnatory effects of a prolonged postal strike, which caused many companies to postpone their AGMs, there were 71 entries – one more than last year. The Society was, however, particularly disappointed that only 15 per cent of the state-sponsored bodies submitted entries; Northern Ireland produced only two entries.

Started last year and jointly sponsored by the Bank of Ireland (*The Accountant*, November 2nd, 1978), the awards reflect the desire of the accountancy and banking professions to raise standards of financial reporting. In 1978 there were two awards – one overall winner and one solely for the farming co-operatives, where antiquated legislation had resulted, in many cases, in low standards of disclosure and presentation.

This year a further award was added for businesses and organisations with an annual turnover of less than £20 million, the first winners being Alliance and Dublin Consumers Gas Company. Although in accountancy terms their report was somewhat specialised, the judges were impressed by both the extent of the information and the inclusion of a value-added statement.

The 1979 farming co-operative award went to Kerry Co-operative Creameries Ltd, whose report was considered to show the greatest improvement upon the previous year and came very close to the standard required for the overall award. The co-operative was formed in 1972 and under vigorous leadership has considerably diversified its products.

Presenting the prizes, Mr Ian Morrison, Chief Executive of the Bank of Ireland, commented on the significant improvement over the standards of last year. The individual trophies, he said, were fine specimens of the silversmith's craft, gratifyingly secure in these times of inflation. He called upon the accountancy profession to hasten its mastery of inflation accounting so that his own profession could maintain more meaningful books.

The prestige and conviviality of this annual event has provided a popular meeting place for leading industrialists and members of professions serving Ireland's business community. The underlying concept follows that of *The Accountant*/Stock Exchange Annual Awards, founded in 1954, which have yet to be won twice by any single company.

Potential Cost of Open Government

'Expensive and time consuming' was the impression of a former head of the Civil Service, Lord Croham, of a possible Freedom of Information Act. Such an Act, he told members of the Institute of Directors, would cut down the number of records, and thus act against the interest of future historians.

Further, it would undermine collective Cabinet responsibility and politicise the upper reaches of the Civil Service, if documents drawn up by officials were to be made public.

TUC Book of Hours

'The shorter working week is now a declared and absolute priority, and one which we are now on the way to achieving.' Thus spoke union boss Mr David Basnett, new chairman of the TUC's economic committee.

With that in mind the TUC is establishing a form of data bank to collect information on deals which win reduced hours in order to assist negotiators in other unions.



Mr Tom O'Sullivan, vice-chairman of Kerry Co-Operative Creameries (second from right) and Mr Brendan Dinneen, financial controller, receive the 1979 Leinster Chartered Accountants' Annual Award for published accounts from the Chief Executive of the Bank of Ireland, Mr Ian Morrison, President of the Leinster Society (second from left) is Mr Eamonn Keogh.

Current Affairs

The Accountant is delighted to be able to assure any of its readers who might have doubted the existence of Sheffield that it really does exist and, further, that it seems to house a very nice class of people.

Doubts over the existence of Sheffield first appeared earlier this year. A letter to Linda Robinson, of *The Accountant's Diary*, asked why Sheffield had been omitted from the maps of British motorways normally included in all editions of the diaries.

Linda, secure in her belief of Sheffield's existence, told John Beard, FCA, of Pannell Fitzpatrick & Co, a Past-President of the Sheffield District Society, that the diaries were being completely re-designed. She would see to it that Sheffield occupied its rightful place on the map.

A lady of integrity, Linda sought a new motorway map. She could not find one with Sheffield on it. Mindful of her promise to Mr Beard, she asked the printers of the diary to insert Sheffield in its proper place. By a rare oversight, the printers omitted the insertion, and Linda began to wonder. The first doubts appeared. Was there something going on, affecting Sheffield, that she hadn't heard about? She wrote to Mr Beard:

Dear Sheffield,

You're not going to believe this. Do you remember complaining to me about the way that we missed Sheffield off our diary motorway maps? And the nice letter I sent you promising to ensure that Sheffield occupied its rightful place in the 1980 editions?

Well, since the RAC maps we used previously didn't include Sheffield, I went to a new map supplier, specifying that Sheffield had to be on them. Our new supplier couldn't find a map with Sheffield on it. So I asked our printer to put Sheffield in: proudly and boldly, so that everybody could see.

Our printer has produced a very attractive diary for us and we are very pleased with the end result. But Sheffield has been missed off



the motorway map. Our printer is very sorry: he knows we asked him to put Sheffield on but, by an oversight . . .

Mr Beard, is there something about Sheffield that we down here don't know? Is it going to be there in 1980? Why is everybody conspiring to thwart a perfectly

Oh Camelot, oh Camelot; distant, misty Camelot

*And Ilium, oh Ilium; topless-towered Ilium
Have you seen the many-splendoured city
The sprawling, friendly city
The busy, vital city
At England's busy heart?*

*Have you walked the brave wide pavements,
And trod the boundless acres;
Have you talked with all the people
Of the sprawling, friendly city,
At England's busy heart?*

*Then you must go, as I did,
Unknowing and afraid,
And see what they have built there,
At England's busy heart.*

reasonable wish to have Sheffield on our motorway map?

Apologising doesn't seem to be enough. But I do apologise: I tried and I thought I had succeeded, but there are clearly forces at work which I cannot defeat. I will see what I can do for 1981: but frankly, I'm worried about Sheffield.

A week or so later she had the following reply:

I heard with dismay that there's still disarray
And that Sheffield still can't be mentioned.
Though you've tried your best, you've failed the test

In spite that tha's been well intentioned.

I've worried and thought and I've tried to report.

'Cos there must be some good explanation
Why we're not on the maps, it worries us chaps

And drives us to sheer consternation.

At Town 'all their worried, an't Lord Mayor is flurried

To say nowt of the members elected
'Cos publicity man has done what he can –
And, what's more, he's very respected.

So there's only one way to halt this affray
And an end put to all this confusion:
Tha must quick set out forth and journey up north

To see that we're not an illusion.

So just name the day and come on your way
Get the car out and drive along in it
Up M1 motorway, and then you can say
'Sheffield's there, and I know, 'cos I've sin it!'

Linda did name the day – October 10th – but opted for the train arriving at 11.42. When she got there and cautiously stepped on to the platform, her last doubts vanished. There was Sheffield, Britain's No 4 town, in all its splendour, and there, too, was Mr Beard to welcome her.

And soon there was Peter Wigley, chief publicity officer of Sheffield District Council, and others. All Sheffield people; living in houses and real, really real.

No Second-class Audit

Removal of the statutory requirement for 'a fully-fledged audit' for smaller UK companies would not necessarily mean a reduction in overall fees for most UK accounting firms, according to Mr David O'Brien, Canadian accountant and partner in Dunwoody & Co, part of the

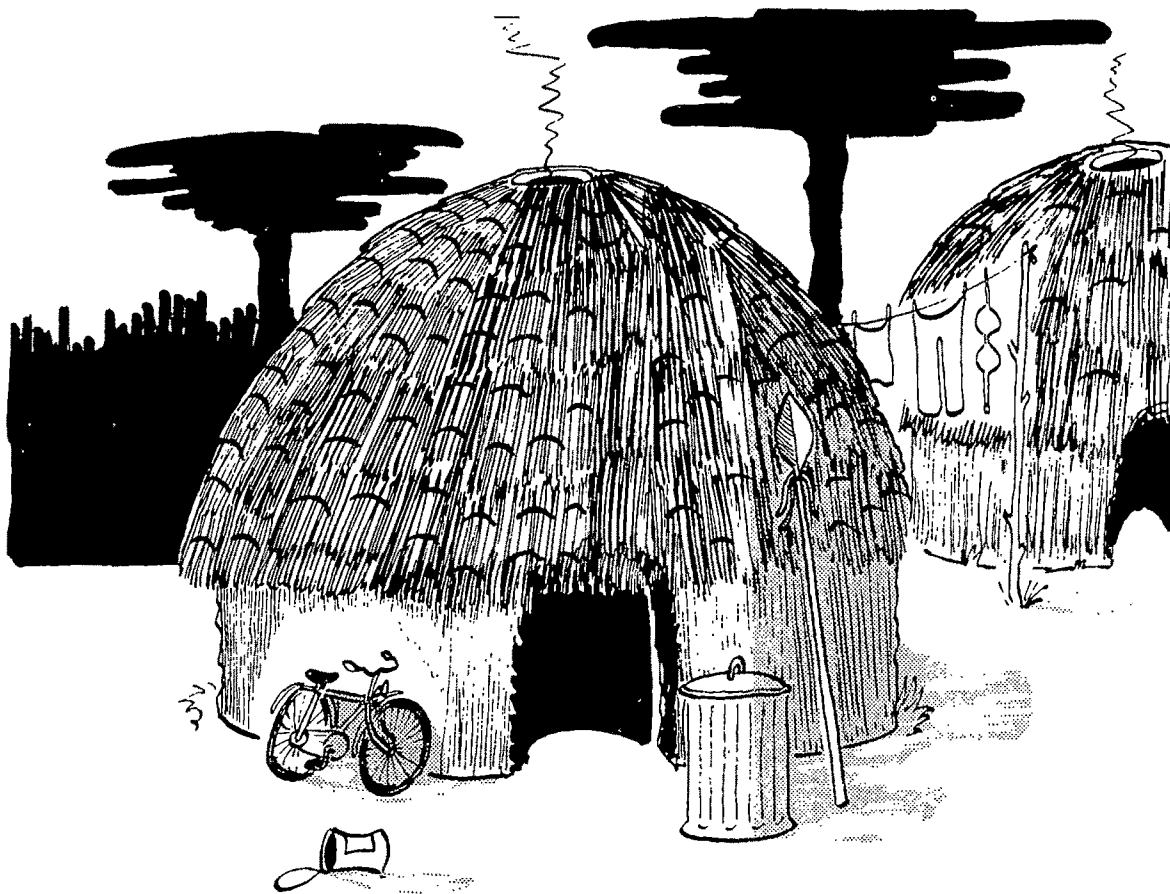
Robson Rhodes international firm. It should, however, enable them to provide a more relevant service to their clients:

'Our own experience in Canada shows that the business community has quickly accepted unaudited financial statements, and clients feel they are getting much better value from these reviews. They are getting much more relevant informa-

tion to meet their own requirements.

'Forty per cent of the fees of my own office come from review work and this work comprises a checklist of work and detailed comparison, inquiry and discussion is often constructive for the client and of a higher standard than much of the work the profession had undertaken several years ago as audits'.

Hillier Parker's eye on the world - 4



This is yet another example of an architectural style derived from the practical demands of temperature, available resources and simplicity of construction. Shady and air-conditioned by whatever breezes that might blow its way, this once popular form of development looked rather more romantic than the corrugated iron, plastic sheeting and packing crates now apparently preferred. Romance is, of course, relative, and the practice of some African tribes to use readily available natural substances other than mud left most Europeans breathless. This was probably the reason for the Englishman's urge for ceaseless exploration and endless travel.

Hillier Parker's agency teams will search the length and breadth of everywhere to find the property which meets your needs – or the tenant or investor to take your property.



Hillier Parker
May & Rowden

77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666
and City of London · Edinburgh · Paris · Amsterdam · Sydney · Melbourne · Brisbane

Urge to Merge

According to a new paper, 'Trends in Merger Control' by John Graham, an economist at the Office of Fair Trading, mergers are burgeoning like never before. Since 1966 the number of mergers considered annually by the takeover panel has trebled. Large mergers – where gross assets amounted to £50 million or more – showed a marked increase last year. Acquisitions by foreign-owned or controlled firms now account for one-fifth of all mergers, but acquisitions by UK firms of assets abroad account for one-third.

In 1978 the most active acquirers were in the insurance, banking and financial sectors, the distributive trades and the food, drink and tobacco manufacturing industries. The gross assets of acquiring firms totalled £184 billion last year and

they sought to acquire companies worth just 6½ per cent of their own value.

The largest mergers occurred in the financial sector and the relatively capital-intensive sectors such as chemicals, utilities, and mining and quarrying. 'There is greater variability', says the paper, 'in both the average size and incidence of "large mergers" – those involving gross assets valued at £50 million or more – compared with smaller mergers.' During 1978, 'large' mergers accounted for 80 per cent of all assets acquired compared with 45 per cent in 1977 and 52 per cent in 1976.

The paper points out that there has been a significant increase in the rate at which references to the Monopolies Commission have been made. In the period 1965–73, the average number of references was three a year, but in 1974–78 the figure had risen to over five

references a year. Investigations of horizontal mergers occupied most of the MMC's time.

Quote of the Week

'Commerce and industry are still struggling with a 30-year-old Companies Act and a system of corporate governance appropriate to the era when those who owned the capital also managed the company. The Government's praiseworthy reluctance to add to the legislation should not mean that the organisation and administration of our companies should be adjusted only at the demand of EEC directives or public scandals'. – Mr Barry Barker, chief executive of the Institute of Chartered Secretaries and Administrators, introducing the ICSA's 1979 national conference on 'Corporate Governance and Accountability'.

THIS IS MY LIFE

The double cross

by An Industrious Accountant

The atmosphere in my office was electric with barely controlled anger. I'd told Costs earlier that we were concerned about the principle of his claims for travelling expenses to London for computer studies when he was also being reimbursed by his accountants' group for the same trips. It was a new departure from custom, I explained awkwardly, hence the meeting.

Personally I was uncertain thus far, remembering long gone days when Harry's wife used to pack him a luncheon basket when he went on country audits, and he charged the standard subsistence allowance as a matter of course. The partners had probably known, of course ... it was often done ... somehow this was different ... nobody had been done ... or had they?

He went as white as a sheet and said angrily he'd be there, make no mistake about it, and he'd have an action for slander if we put a foot wrong; so at 3 pm our internal auditor explained stiffly

his fortuitous discovery of the double reimbursements and his wish to clarify the acceptance of the charge. Costs snapped a nasty epithet at him, and the IA reminded him of that big overnight claim Costs put in when he'd missed the last train in the snow. The IA had approved it unquestioned, and now we found that Costs had cashed in twice.

The financial accountant broke the silence. The money was unimportant, he said; the sting was that after all our years working together we found one of the four deceiving his friends for a few measly quid. It just wasn't good enough; the principle was basically dishonest; we must be able to trust one another. Costs declared he'd stand on what he'd done and we could take it to the directors if we wanted; the amount involved was so-and-so kid stuff, he'd contact his solicitor immediately. ...

The IA, looking wretched, said carefully 'You didn't miss that last train; I went to the station to meet you and

saw you hurry out of the far exit gate to your car. You did well with your two hotel claims.' The FA said mournfully 'That's the end of the kid stuff element, but what next?'

I can't ignore it officially, but the directors may cut up nasty unless I treat it as a lucky bonus for poor unsophisticated Costs' extra work; get the team off their high horses by joking about it, keep the story secret (some hope!) and prepare to train up a new and short-sighted internal auditor.



... train up a new and short-sighted internal auditor.

Challenge of the 1980s

Canadian Institute's Annual Conference

from RENNY ENGLEBERT in Canada

Over 2,000 members and guests were in Toronto last month to attend the 77th annual conference of the Canadian Institute of Chartered Accountants of Ontario. Among the gathering were distinguished representatives of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland, the Institute of Chartered Accountants in Ireland, the Australian Society of Accountants, the New Zealand Society of Accountants, the Ordre des Experts Comptables et des Comptables Agréés, the American Institute of Certified Public Accountants, the International Federation of Accountants and the Instituto Mexicano de Contadores Públicos.

The keynote address 'Challenge of the Eighties' was given by Mr J. Peter Gordon, BSc, PEng, chairman and chief executive officer, The Steel Company of Canada. The oil producing countries may have done the industrial countries, including Canada, a big favour, he said, by pushing up the price of oil and forcing them to take a more realistic economic approach. Far from delivering a 'lethal economic body-blow' OPEC has compelled nations to re-evaluate energy policies and recognise that the comforts of dependence carry with them the loss of economic and political freedom of action.

Above all, he told his audience, by forcing Canada and other countries to appreciate that finally there is no substitute of established and proven principles of thrift, innovativeness and self-reliance, OPEC may unwittingly have provided all of us with the instruments of our own economic recovery and resurgence.

One of the most intriguing aspects of Canada's near-term future is the degree to which its goals of energy self-

sufficiency, and its need to bring order to its economy, are so intertwined. One common denominator is the staggering level of capital investment that will be required to finance the former undertaking.

Canada, according to some estimates, will have to invest \$1.26 trillion between now and 1990 to meet its investment needs and to maintain a modest degree of economic growth. She may not have too much trouble in attracting these funds from abroad; but to do so would be merely to exchange one form of dependence for another.

The vast majority of Canadians will demand that Canada's capital needs be met to the greatest extent possible from within the country. Having embraced the principle of self-reliance with respect to energy supply, Canadians would find it incomprehensible were the nation to turn around and abandon this same



Mr J. P. Gordon

principle when it comes to financing such an undertaking. Marshalling the capital will constitute probably the greatest financial undertaking in Canada's history and, because of current economic difficulties, will confront society with some painful choices and sacrifices.

The government, for its part, has no real alternative but to institute spending cuts, particularly in the sphere of social expenditures which account for the largest single level of spending in the national budget. Distasteful though such measures may be to some, they are symbolic of what must be done to correct the current imbalance between what is allocated for productive investment as opposed to social and income redistribution programmes.

Considerable challenge

Speaking on the opening day on 'The Responsibility of Directors and the Audit Committee', Mr Jean de Grandpré, chairman and chief executive officer, Bell Canada Ltd, Montreal, stressed that the responsibilities today of a public company director entails a considerable challenge. The moneys that must be invested in capital equipment and research and development have grown more and more significant. The direction to be taken by a company is subject to ever more complicated considerations while the time span over which decisions must be made grows larger and uncertainties multiply.

He noted that in the formative years of audit committees, the accountancy profession helped directors of public companies understand the complexities of financial reporting and the needs and concerns of financial advisers and managers. In turn, directors assisted members of the accountancy profession to become a more effective force in serving the shareholders by whom they are appointed and the management with whom they must work. As a result of this team effort, directors of public companies have come a long way in discharging, in a real sense, the duties laid upon them.

The audit committee is not a substitute or proxy for the full board, but rather its investigative and co-ordinative arm. While the Canada Business Corporation Act lays upon it the single

Accountant Abroad

charge of 'reviewing the financial statements of the corporation before such financial statements are approved' by the directors, to carry out that function only in its literal sense would make an ineffective audit committee. To 'review' the financial statements, the audit committee has to look for improvements in the company's internal controls and management procedures through discussions with the external auditors on the planning of the audit; review the operations of the internal auditors and ensure that an effective liaison is established between internal and external auditors; and provide and maintain untrammelled communication between the internal and external auditors and the full board and maintain easy and direct relationships with the financial managers of the company.

Independent force

The audit committee can in no sense be passive. To be effective it must be active, informed and demanding in its inquiries and its tripartite relationship between corporate management, external auditors and internal auditors.

Although the internal auditor still reports to the chief financial officer, the internal audit function is becoming more of an independent force within the control structure of the corporation. The scope and nature of audits performed by external auditors have also changed in recent years; that change can best be described as having gone from an audit of practice to one of process. External auditors have become and have been seen to become less the producers of a statement of absolute fact and more the architects of communication between management and the shareholders.

The functions of both take nothing away from the role of the senior financial managers of the corporation. To the contrary, the result of these three independent groups, working in concert to achieve the improvements in controls or communications perceived by any one or all of them, must be to impress these needs most powerfully on the consciousness of the audit committee.

Mr R. J. Kane, FCA, chairman, Thorne Riddell & Co, Toronto, made the point, as a public accountant, that the accounting profession has a big part to play in

helping directors meet their changing responsibilities. The time when independent auditors most often come into contact with directors is at meetings of the company's audit committee. It is there that they can make their contribution. They can use the audit committee to present trends and possible future requirements in financial statement presentation. Management may be familiar with these already, but the audit committee meeting can be used as an effective means of ensuring that the directors as a whole are aware of these changes.

Significance of weaknesses

Another important area of the audit committee's activity is to review the scope and findings of the independent audit itself. Here the auditors can assist the directors by giving a clear understanding of just what their responsibilities are. In addition, they must be prepared to provide a good understanding of the overall scope and findings of the audit in general terms. They may be asked to explain to the audit committee the significance of potential weaknesses they have identified and whether their recommendations have or have not been acted upon by management; and, if the question is not asked by the audit committee, it is imperative that the auditors directly or indirectly bring such matters to its attention.

At another session, members of a CICA study group on accounting for non-profit organisations reported some of their findings. This critical 'third sector' of the economy that includes governments, hospitals, colleges and universities, and volunteer charitable organisations, should disclose more, and more meaningful, financial information.

Central to their position is that there should be more uniformity in the basic information disclosed and, to avoid public misunderstanding, non-profit organisations should follow as far as possible the accounting principles of business organisations. The study group pointed out that non-profit organisations such as governments operate in a different climate from business. Many of their objectives are non-financial and are not disciplined by competition. For these reasons they emphasised the importance

of non-financial disclosure and the desirability of value for money auditing to ensure the efficiency and effectiveness of non-profit spending.

A second plenary session examined the topic 'The role of government in the Canada of the 1980s', led by Mr Clifford F. Haughton, president, Haughton Management Ltd, Toronto and Mr Arthur Maloney, QC, former Ombudsman for the Province of Ontario. Government in Canada has become 'the glutton at the table' said Mr Haughton, taking 50 per cent of the GNP when in 1950 it took only 20 per cent. He predicted that a balanced Budget by 1990 is not impossible but unlikely. No political party in the land, given the present pampered state of the populace, can survive if it attempts to implement the necessary steps to balance the Budget. His suggestions for government to redress a perceived imbalance between the government and private sectors included the need to design legislation in the social welfare field to satisfy need, not greed; stop giving money to assist avowed enemies who would destroy us; stop subsidising industries that cannot compete; and protect the Canadian public from ransom by strikes in essential services. If Canadians want a better future, they only have to look to themselves to make it so.

In Mr Maloney's view, Canadian governments in the 1980s will be conditioned, to a large measure, by two factors: the tough economic picture predicted by most observers and a definite shift in public opinion towards conservatism.

No solution

Canada is entering the next decade with predicted high energy costs which in turn cause higher production costs and affect consumer spending. There appear to be no solutions on the horizon to the predicted recession and the high unemployment and inflation presently being experienced. The election of Conservative governments in Canada and Britain may be an indication that citizens are reacting to the free spirited lifestyle and philosophy of the 1960s. There appears to be a feeling in the community that government should play a smaller role in the economic life of our

MAKING A SMALL BUSINESS BIGGER

Five ways we can help you expand

1 Enterprise Loans A scheme designed to help businessmen raise money for new plant, equipment, premises ... anything that involves expansion or diversification. Loans in the range of £25,000 to £250,000 (or more), with interest linked to base rate. Repayments up to 10 years. Money when it's needed, to repay as the expansion programme begins to pay back.

2 The Lloyds Bank Finance Series A series of free handbooks about starting, developing and running a business. *'Making a small business bigger'* is full of advice on selling, marketing, tax and legal problems, staffing for growth, etc. And it will help present a clear and convincing financial proposition when asking us for money.

3 Leasing Borrowing money to buy equipment outright is not always the answer. It may be better to lease. We'll help you understand why.

4 Factoring As a business expands, money goes out faster than it's coming in, often because customers aren't paying on time. By factoring debts, through our associated companies, they could be turned into immediate cash (with 100% bad debt cover).

5 Selling Overseas You can't be everywhere at once, but we can — through our world-wide group network. We can provide information on overseas territories and help find reliable agents and buyers.

If you're giving advice on how to expand a business, a Lloyds Bank manager may be able to help.



More help for business.
At the sign of the Black Horse



Lloyds Bank Limited

Practical help for over 23,000 cancer sufferers.



Thanks to people like you.

Thank you for telling your clients about Cancer Relief (the only national charity solely concerned with helping people cope with this heartbreaking disease from day to day).

As a result, a substantial part of the Cancer Relief funds last year came from bequests, enabling us to help over 23,000 sufferers.

This year we turn to you again. And ask you to continue spreading the word about the many positive ways we help cancer sufferers and their families.

We help with basic living expenses such as food, heating, rent and even the mortgage when a breadwinner is stricken.

Many cancer patients discharged from hospital to the care of their relatives need admission from time to time to specialised facilities such as our Macmillan Continuing Care Homes. This is for control of those symptoms, particularly pain, which make home nursing so arduous.

Our Macmillan Domiciliary Services provide practical help and support to patients and their families at home.

With more funds we will expand all these services but this depends on your help. In your professional capacity, dealing with every sector of the public, you are in a better position than most to spread the word for Cancer Relief. For more information, please write to:-

Cancer RELIEF National Society for National Society for Cancer Relief, Room 33,
30 Dorset Square, London NW1 6QL
Or telephone R W Herricane,
Chief Accountant, 01-402 8125.

Founder: Douglas Macmillan MBE

In Association with: Colostomy Welfare Group; Nat. Assoc. of Laryngectomee Clubs.

Accountant Abroad

society and that the free enterprise system should be relied upon to increase wealth and the well being of the community. It is almost certain that government will react to these factors by attempting to reduce spending.

The institution which he felt will become more important in the 1980s than at present is the office of Ombudsman. Its basic purpose is to protect the human rights of the citizen with respect to complaints against government. The first Ombudsman appointment was made in Sweden in 1809, but the institution received its modern impetus with the creation of the office in Denmark in 1955. The concept has spread widely since then, with offices throughout the world; in Canada every province except Prince Edward Island now has an Ombudsman. Mr Maloney hoped that the Federal Government will carry out its proposal to institute Ombudsman legislation also at the federal level. The concept, he believed, will provide the citizen of the 1980s with an important avenue of redress.

Utmost importance

'This is but one institution which will have an important role to play in government in the 1980s', he said. 'Of the utmost importance is that concerned citizens speak out loudly against any intrusions on the traditional rights of individuals. Your profession and mine must be at the forefront in ensuring that our civil liberties are not tampered with'.

Speaking on 'The Economic Challenge of the 1980s' on the second day, Dr J. Anthony Boeckh of Montreal said that for Canada to enjoy a relatively prosperous decade means the removal by government of a number of financial roadblocks which presently exist. There is nothing magical or complicated about what has to be done; it requires political courage and an understanding of how serious the difficulties are.

The policy of so-called 'gradualism' in reducing excess money growth must be scrapped. Excess money growth in the last five years has been larger than the previous five year period and inflationary expectations have never been stronger. The government must move quickly to eliminate permanently the expectation of rising prices. Government expenditure in

real terms should be frozen for at least several years so that a meaningful reduction in government expenditure as a percentage of GNP will take place. Cuts in personal tax rates should be made at all levels, phased in over several years to get the maximum incentive effect while minimising the revenue loss. There are, too, a variety of things to be done to improve labour markets by making them more competitive: remove barriers to entry to professions and skilled trades, encourage skilled immigrants, train skilled workers, reduce minimum wages, especially for the young and single. It is absurd that there is a simultaneous shortage of many types of workers and nearly 1 million unemployed.

Such policies, he noted, will cause considerable economic discomfort in the short run, but he felt that Canadians will be willing to pay the price if they are convinced that this is the route to prosperity, stability and reward for effort and initiative and that future politicians would not revert to the old electorally appealing inflationary policies. Failure to reverse the nation's long-term economic and financial slide will inevitably create much more serious economic hardship for Canadians, ultimately leading, before the end of the 1980s, to a major, abrupt downward adjustment of living standards for almost everyone.

At a concurrent session Mr Bruce A. Sully, president and chief executive officer of the Champion group of companies, offered advice to those concerned with improving Canada's international trade.

People oriented

Speaking on 'Canada as a trading nation' he said that success in gaining a larger segment of the world market demands three basic requirements: a quality-made product, competitive pricing, and professional marketing, each element of which is people-oriented. Quality requires craftsmen proud to have their names associated with a product or service; competitive pricing requires people anxious to better their knowledge and apply it to improve their efficiency and at the same time maintain pricing standards; professional marketing is the whole area of marketing starting from the shipping clerk, the parts handler, the

office clerk, the receptionist, the serviceman and, of course, the professional salesman in the field.

His views were backed up and expanded upon by Mr John A. Macdonald, chairman and president, Export Development Corporation, Ottawa, who spoke on how both the Department of Industry, Trade and Commerce and the Export Development Corporation can play their part in the development of export opportunities. Quality and low costs are obviously the responsibility of the exporter, but financing costs form a significant part of any pricing process and this is where the Export Development Corporation enters the picture.

Commercial lines

He cited a comprehensive list of its services, including credit insurance, long-term loans to foreign buyers of Canadian capital equipment, foreign investment guarantees to insure Canadians against losses incurred abroad and surety insurance for exporters, banks and other financial institutions against calls on performance bonds and guarantees. Funds for these operations are obtained from borrowings on international money markets, not from spending the taxpayers' money; this means that operations are conducted along commercial lines and the Corporation does not subsidise exporters.

As a break from professional work, the programme included an address by His Eminence Cardinal G. Emmett Carter, DD, Archbishop of Toronto. He traced the course of moral attitudes since the Great Depression and the Second World War, observing the continued absence of fundamental values. In asserting that many things point to the collapse of our civilisation, he expressed the firm conviction that it can be saved – but only by a massive return to basic values and an almost universal involvement by people everywhere. 'I still see the appearance and evolution of strong leaders as important, but mostly as a catalyst to arouse and direct the forces of what I will call by the traditional term of democracy – which is still a very good word.'

To be able to judge with maturity and to criticise in a good and positive sense

Accountant Abroad

requires a base from which to operate. Clausewitz has said that the first principle of military strategy is 'secure your base of operation'. 'I cannot offer any other solution for our hope and future than that we have people who do possess a base of operation. To use a circular definition — "for life to be meaningful, life must be perceived as having meaning".'

Without motivation, long-range vision, altruism and a willingness to give of oneself, there can be no hope for democracy, he said. Mankind will inevitably come either to self-annihilation or to a form of dictatorship of the right or left. This civilisation was built upon the Judaeo-Christian tradition and it has given form, faith and hope to all generations to date. It has purpose; it has strength, and it has an ability to give of oneself in a case that is greater than oneself.

Enduring values

The Gospel values are still the ultimate for human living, and human living is partly the living of a people and a governing of a people which we call democracy. Participative democracy does not mean that each citizen of any country takes over the role of government; it means that at least a large

number will have the maturity, courage and vision to be able to make judgements not based on the passing whims of the day or expressions of opinion of this or that commentator or journalist but against a background of values that endure and are based on something more than the here and now and allow individuals to give themselves in the service of others.

Impressed

In his acceptance speech as President, Mr Marcel Caron said he was impressed by the up-coming accountants who are mastering the new technology and ideas required to cope with a changing world. He noted also that the profession is much more under scrutiny by governments and the public. It has remained a self-regulated profession and can continue to be one if it has the courage and willingness to make changes which meet the needs of society now and in the future.

He said that much of the corporate and securities legislation in Canada now incorporates the standards of the profession for financial reporting. The Canadian Institute is working on proposals which will have an important effect on the financial reporting of both public and Crown corporations, as well as insurance companies and non-profit organisations. It is also moving to solutions on such controversial financial reporting matters as foreign exchange translation and inflation accounting.

Unique position

An important responsibility will be the need to explore every avenue to increase national productivity. A vital ingredient is education, particularly education that can improve management productivity. The foundation for all these projects is research, an area, he pointed out, in which the Institute invests well over \$1.5 million and uses 15,000 hours of expert volunteer time of its members every year.

The world, he said, is now an intricate and complicated force. The profession is in a unique position to have great influence in the decision-making processes of companies and governments.

EEC-Arab Conference Initiative

The French government is trying to set up a ministerial conference between EEC member states and moderate Arab oil producers in the Gulf. The conference would cover economic and political relations between the two. The problem of guaranteeing western Europe's oil supplies and obtaining outlets for the EEC's exports in Arab markets would be one subject discussed. Equally important would be the topic of the role which the Community could play in a political settlement of the Arab-Israeli conflict.

But it is still unclear if the member states of the Community would be represented on an individual basis or more formally in their collective capacity as members of the EEC. The presence of the Community as such would tend to lend more weight to the talks but would also raise delicate diplomatic and procedural problems.

Grant from EEC Fund

The UK is to receive £31 million from the EEC's regional development fund to aid investment and reduce unemployment.

The largest slice, £13.7 million, goes to Northern Ireland — including £7.9 million in the form of an interest subsidy on a loan already paid to help towards constructing Kilroot power station in Belfast. It is the first time that regional aid has been paid in the form of an interest relief grant since the regional fund was set up in 1975. There is also £3.7 million to extend the aircraft apron and terminal building at Aldergrove Airport, Belfast.

Most of the £10 million for the north of England is for developing 50 industrial sites and tourism, but the Automobile Association Insurance Services in Newcastle-upon-Tyne benefits by £353,000. The Co-operative Bank in Skelmersdale, Lancashire receives £858,000 of the £8 million investment grant to the north-west.

A further £595,000 will go to the extension of water treatment works at the Colliford reservoirs in Cornwall. Scotland is to receive £2 million for building a bridge at the Gott Bay pier on Tiree, and roads elsewhere.



Mr M. Caron

Australian Exposure Draft

A recent Australian exposure draft, 'Accounting for the revaluation of tangible fixed assets and investments in the context of historical cost accounting', deals with one of the important issues that has been of some concern to business enterprises. The general rule under previous standard practice is that gains arising on the revaluation of non-current assets (except those arising out of the application of the equity method of accounting) are credited direct to an asset revaluation reserve and are not reported as a profit or gain for the period of accounting. However, downward revaluations have had to be included in the profit statement. The new draft aims to introduce consistency of treatment of gains and losses resulting from revaluations, and also proposes a more uniform accounting treatment concerning both revaluations and disposal of assets.

The exposure draft proposes that where a tangible fixed asset or investment is to be revalued the entire class of assets to which such asset belongs should normally be revalued, and, if this is not done, the reasons should be disclosed. The revaluation of a class of tangible fixed assets or investments should not result in the carrying amount for that class being greater than the aggregate amount which will be recovered from the continued use and, where applicable, disposal of the assets within that class.

Where it is proposed to revalue a class of depreciable tangible fixed assets upwards or downwards, any accumulated depreciation existing in respect of that class, at the date of the revaluation, should be credited against the asset account to which it relates. The asset account should then be increased or decreased to the amount of the revaluation.

Where a class of tangible fixed assets or investments is revalued, the revaluation increment or decrement is to be accounted for as follows:

(a) An increment should be debited to the relevant asset account and credited directly for an asset revaluation reserve – except that, to the extent such an increment reverses a

revaluation decrement previously charged to the profit and loss account in respect of that same class, it should be credited to the profit and loss account for the period; and

(b) A decrement should be credited to the relevant asset account and debited to the profit and loss account – except that, to the extent such a decrement reverses a revaluation increment previously credited to, and still included in the balance of, an asset revaluation in reserve in respect of that same class, it should be debited directly to that revaluation reserve.

Increments and decrements on revaluation of individual assets should not be offset against one another, except within a class of assets.

The exposure draft also proposes that

the gain or loss on disposal of a previously revalued tangible fixed asset or investment should be brought to account as follows:

(a) *Loss on disposal*

Where the disposal proceeds are less than the carrying amount of the asset previously revalued upwards, the loss on sale should be debited to the asset revaluation reserve, to the limit of the balance remaining in the asset revaluation reserve for the class of assets to which the asset belonged, with the excess of the loss being debited to the profit and loss account.

(b) *Gain on disposal*

Where the disposal proceeds exceed the carrying amount of the asset, the gain in sale should be credited to the asset revaluation reserve to the extent that it reverses any revaluation decrement previously debited to that reserve for the class of assets to which the asset belonged. Where the gain exceeds any such decrement, the excess should be credited to the profit and loss account.

EEC – China Textile Levels Agreed

China is to be allowed much greater access for its textile products into the EEC but it is accepting tight rules aimed at ensuring that quota levels are not breached. This is the main outcome of an agreement negotiated in July with the EEC Commission.

The agreement, which the council is expected to ratify this month, effectively doubles from 21,000 tonnes to 41,000 tonnes allowable Chinese exports in 14 product areas this year. In the case of certain items, however, the volume increase will be much greater.

The agreement covers the eight most sensitive products which qualify for the tightest MFA controls – cotton yarn and fabric, shirts, sweaters, trousers and blouses among them – together with six other products in which China is potentially a very large supplier. The rules built into the agreement will enable products not under quota control to be limited as soon as licence applications begin to show a sharply rising trend. Under the MFA agreements with other suppliers imports have to retain a certain trigger level before consultations start on possible restraint. Imports as a result are

sometimes able to continue rising for several months before action is taken. The eventual quota has invariably then been set at a level much higher than the trigger point.

A tougher price clause giving the EEC the right to stop imports if they are being sold below average prices for similar goods by other exporters has been included. Handloom and folklore items are also being brought under control.

The Commission has secured Chinese guarantees on the continuing supply of three important raw materials – cashmere, angora and raw silk. But in the case of the first two the level is only around one-third to one-quarter of normal requirements in the UK, the main processor of these fibres.

No guarantees have been given on price and delivery, however, and the industry is likely to remain concerned that its supplies could be cut off if China decides to step up its own output of high quality knitted garments. As an additional safeguard the EEC has negotiated a separate inner limit on wool and fine animal hair pullovers within its overall jerseys quota.

Our clients value our lack of interest in property

Acting as a principal in the property market might appear to influence professional judgement and lead to possible conflicts of interest where the client is concerned. Therefore, the partners of DT & C have no property interests other than their own homes and offices.

There is no substitute for independent professional advice.

Debenham Tewson & Chinnocks

Chartered Surveyors

Bancroft House Paternoster Square London EC4P 4ET

01-236 1520

44-46 Brook Street London W1Y 1YB

01-408 1161

3 Castle Street Cardiff CF1 2RJ

0222- 398182

FOR INVESTMENT THEN MORTGAGE

THE City of London

BUILDING SOCIETY

- BIG ENOUGH IN SIZE TO COMMAND TRUST.
- STRONG ENOUGH IN PERSONALITY TO GIVE INDIVIDUAL ATTENTION.
- LARGE ENOUGH IN HEART TO TREAT MEMBERS FAIRLY AND WITH PARTICULAR CONSIDERATION.

THE CITY OF LONDON BUILDING SOCIETY

34 London Wall, London EC2Y 5JD. Tel: 01-606 2525/01-588 0114
Noverre House, Theatre Street, Norwich NR2 1RG. Tel: 0603 29833
33/35 Queen Square, Bristol BS1 4LU. Tel: 0272 290981
6 Brewer Street, Oxford OX1 1QN. Tel: 0865 45800

*Member of the Building Societies Association (Assets exceed £70 million)
Shares and Deposits in the Society enjoy Trustee Status*

A Practical Approach to Management Accounting

John Gibbs F.C.A.

A companion volume to John Gibbs' previous book *A Practical Approach to Financial Management*, which was very well received. A concise yet practical approach that will meet the needs of the accountant in business life, as well as the student up to an advanced level.

£5.95 (£6.50 including postage)

HFL (Publishers) Ltd
9 Bow Street, Covent Garden, London WC2E 7AL
Tel. 01-836 9081

Letters to the Editor

Examination Pass Rates

SIR, — Statistics can be very misleading and, in particular, those relating to the percentage passes of graduates and non-graduates in the PEII examinations. I think if the division were between graduates, good 'A' level pass students and others, one would find that the percentage pass rate of the good 'A' level students was as high or higher than the graduate percentage.

It must be remembered that included in non-graduates are the overseas students who, in general, must find our examinations more difficult to pass than do UK students. I believe the vast majority of the profession do not wish non-graduates to be excluded from entry as they are of the opinion that many 'A' level entry students turn out to be better chartered accountants than many graduates.

I should be interested therefore to know if the above division for statistical purposes was possible and the resultant outcome, as it could be that this would lend support to all those who do not wish for a graduate-only profession.

Yours faithfully,
Penn, Bucks. BARBARA M. CULVERHOUSE, FCA.

Integration of the Profession

SIR, — I understand that at the Institute's Annual Conference this year, all but three of the 200 or so members present voted that integration should be 'taken out of the deep freeze' and that the ICAEW Council is waiting for a reaction to that vote.

As individual members have no ready means of reacting, it is considered that the Council should reactivate proposals to integrate, when they would, probably, find that there would now be strong support from their own members.

It would also appear reasonable to propose at the same time that members of the Association of Authorised Public Accountants who are already authorised under section 161 (1) (b), of the Companies Act 1948 be admitted as members of one of the four bodies of accountants currently recognised under section 161 (1) (a) of the same Act.

Yours faithfully,
Southport, Lancs. R. W. WENSLEY, FCA, ATII.

Backs to the Wall

SIR, — 'Don't Spend — Save' writes Mr Charles Croot in a letter in your issue of August 30th. I agree that encouraging voluntary saving ought to diminish inflation.

But in recent years it has not paid to save. Unearned income attracts penal rates of income tax, and disposal of assets attracts capital gains tax on the fictitious gain from reckoning the disposal price in diminished currency. 'Save as You Earn', the 'best buy', promises to give the investor his money back, without a penny of interest — and even that is rationed.

It is not so in other countries that try to fight inflation and it would surely revive public interest in saving if our Government followed their example and made saving just a little bit rewarding: say (for a target), 5 per cent annually in real terms, and taxing only real interest and real gains.

Yours faithfully,
Tunbridge Wells, Kent. P. D. REYNOLDS

Public Company Reports

SIR, — For some little while now you have dropped the feature which analysed a company report each week. I always found this most interesting both from a technical point of view and also from a general business point of view.

Is there any chance of re-introducing this feature? I would have thought it was especially relevant in view of the annual company reports awards your journal makes each year.

Yours faithfully,
Name and address supplied. NORTHMAN

[While we acknowledge our correspondent's point, the majority of public companies will supply a copy of their latest report and accounts, regardless of statutory obligation, to any interested enquirer. The complexity of such reports has greatly increased in recent years, and many of them now use colour and other graphical aids of a kind which do not readily lend themselves to facsimile reproduction on our pages.

Prizewinning accounts for *The Accountant*/Stock Exchange Annual Awards are specially featured — most recently in our issue of May 17th, 1979. — EDITOR.]

Letters for publication in *The Accountant* should be addressed to:

The Editor
The Accountant
Gee & Co
151 Strand
London WC2R 1JJ

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS
Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

Security for VAT Obligations

In what appears to be the first appeal to be brought before a VAT Tribunal under section 40 (1) (i) of the Finance Act 1972, a scrap metal dealer disputed the requirement of the Commissioners of Customs and Excise for security in respect of VAT liabilities.

Under section 32 (2) of the Act, where it appears necessary for the protection of the Revenue in the opinion of the Commissioners, they may require a taxable person to give security for the payment of any tax due or which may become due as a condition of his making taxable supplies. In this case, the Commissioners had requested the appellant to execute a penalty bond in the sum of £10,000 and to submit the name of a bank which would meet with their approval and be willing to act as surety. Failure to comply with this requirement would render the appellant liable to prosecution if he subsequently made taxable supplies.

Originally, the appellant had commenced business in partnership with his wife who kept the books while he ran the outside work. When he became bankrupt, the partnership was dissolved and his wife became the sole proprietor of the business; but on his discharge they formed a company ('Rina') to which the scrap metal business with all its assets and liabilities was transferred in January 1974. An outstanding VAT assessment of £591.04 was not shown on the statement of affairs, although Rina had taken over this liability, and this debt was now the basis of bankruptcy proceedings taken against the wife of the appellant by the Commissioners.

After an initial success and extensive capital expenditure by the company, the bank withdrew its overdraft facilities and refused to pay cheques drawn on the account of the company. As a result Rina was unable to continue its business and in March 1976 went into liquidation on its own petition. It had been registered for VAT with effect from January 1974, but only one tax return had been sub-

mitted and the tax paid. The Commissioners had raised an estimated assessment of £19,258 against the company, which remained outstanding.

During 1974 a second company, Pembroke Metals Ltd ('Pembroke') was formed by the appellant and his brother-in-law which continued trading until 1977. Registration for VAT with effect from November 1973 was effected belatedly and tax returns were submitted and paid for the periods until July 1975. Returns submitted for periods until October 1976 disclosed that £1,577.78 VAT was due, but this was not paid and thereafter no returns were submitted. The subsequent attempt of the Commissioners to distrain on the assets of Pembroke was frustrated by the fact that no assets could be located.

Meanwhile, on the collapse of Rina the appellant had entered into a partnership, Selk Metals, which formed another company, Kelermoss Ltd ('Kelermoss'). The appellant conducted the day-to-day dealings on behalf of both, but entrusted the book-keeping to his partner, who had since disappeared and could not be found.

The Commissioners had obtained judgment for the outstanding VAT due from Selk Metals which had now been paid in full, but £376 VAT remained due in respect of subsequent supplies. Kelermoss had never submitted tax returns and although the Commissioners had raised an estimated assessment of £5,168, this remained unpaid. Attempts to recover the tax by distraint were frustrated by the absence of available assets.

Finally, the appellant had commenced a new scrap metal business and had registered belatedly for VAT purposes with effect from June 1978. No returns had been submitted or VAT paid, although the appellant claimed that this was due to the fact that his main customer had not paid him the tax due until two weeks before the hearing.

However, he had now established a system whereby his accountant would prepare all tax returns and would pay the Commissioners in fulfilment of the obligations under the Act.

The Commissioners argued that in the circumstances the appellant should be required to give security for protection of the revenue. He had been concerned in the management of several businesses from which a total of £26,379.78 had not been recovered; most of this sum related to estimated liabilities as no complete records were available from which to calculate the precise amount. All of his concerns had made defaults in their registration applications, and the appellant had been late in accounting for the VAT due in respect of his current business.

Breach of contract

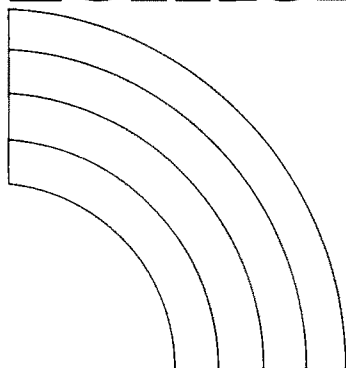
The appellant claimed that he was unable to give a surety. He admitted that he should have supervised the book-keeping of his various businesses more closely, but claimed that his downfall had been caused by the collapse of Rina, following the withdrawal of overdraft facilities. He was suing the bank for breach of contract as he and his wife had guaranteed repayment of the overdraft; and he did not have a bank account, which meant that he would be unable to obtain the consent of any acceptable bank to act as surety. The effect therefore of the decision of the Commissioners would be to put him out of business.

The test applied by the Cardiff VAT Tribunal was whether a security was necessary for the protection of the Revenue. The unanimous decision was that the appeal should be allowed and that the appellant should be given a final chance to carry on his business.

Remedy this failing

The main cause for the loss to the revenue had been the collapse of Rina, and other losses were primarily attributable to the book-keepers on whom the appellant had relied. In future he should take more interest in this aspect, although he had now taken steps to remedy this failing. In this case, the effect of demanding a security would be to put the appellant out of business which,

Tomorrow's plans today



The worldwide Skandia Insurance Group has expanded its UK operations in the life and pensions markets. Skandia Life offers sophisticated and tax efficient plans to meet the needs of

- ☼ the self-employed
- ☼ the Company director
- ☼ the regular saver
- ☼ the lump sum investor

As these needs will inevitably change the plans can be adapted each year to meet the new circumstances.

What's special about Skandia Life?

- ☼ The balance between investment and protection can be adjusted each year as needs change.
- ☼ Life assurance benefits can be inflation proof — without further medical evidence.
- ☼ Investments can be Unit Linked and/or on a Guaranteed Basis.
- ☼ Especially favourable treatment for the larger investor — up to 105% allocation.
- ☼ For lump sum investors — the Flexible Investment Bond, which offers additional allocations every 5 years and life cover to meet particular needs.
- ☼ Top market rates offered by the Skandia Guaranteed Income Bond and the Skandia Guaranteed Growth Bond.
- ☼ Investments with Skandia Life are managed by the Bank of Scotland.



SKANDIA LIFE

For more details, contact your Insurance Broker or telephone Hilary Whalley on 01-353 8511 who will put you in touch with an Insurance Broker in your area.

Charitable bequests...

A suggestion to those whose advice is sought.

When clients consult you on the matter of leaving a legacy to Charity some are concerned about human welfare and others with animal care. One charity, however, is unique in that it exists to help people *and* animals.

The PDSA exists for the purpose of providing free treatment for sick and injured animals owned by people who cannot afford the private veterinary fees. By relieving the physical suffering of an animal, it also relieves the anxiety of the owner.

These days many people devoted to an animal just cannot afford veterinary treatment — so the PDSA provides it. More than 750,000 animal treatments a year are carried out in England, Scotland and Wales. That is why the PDSA which is supported entirely by voluntary contributions needs help.

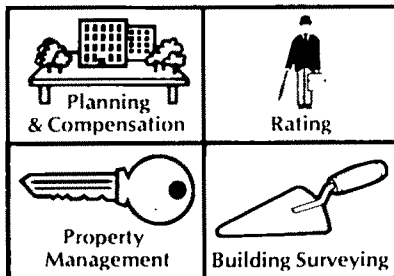
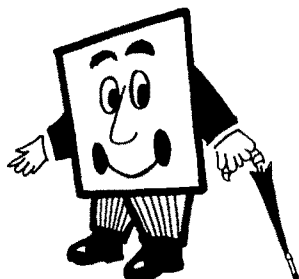
We will gladly send you further information about the ways in which Bequests, Deeds of Covenant or Donations can be made. Please write to:

Sir Mark Tennant KCMG CB
Honorary Treasurer People's Dispensary for Sick Animals
PDSA House South Street Dorking Surrey RH4 2LB.
Telephone Dorking 81691.



Registered Charity No. 208217

Mr Square Footage and some of his Professional Services



It's all part of the Knight Frank & Rutley service



Knight Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

Qualifications? Let the experts help you to success

The School of Accountancy have been specialising in preparing candidates for examinations for 65 years. You can benefit from this wealth of experience – either to make sure of success in ACA Exams if you are a student – or to add a second string to your bow if you have already qualified.

ACA Examinations

We are in a unique position to give you the best help available. You will enter your examinations completely prepared and confident of adding to the 30,000 Chartered Accountants that SOA has helped to success.

Institute of Accounting Staff Examinations

We have courses available now for this important new qualification – sponsored by the Association of Certified Accountants for junior and technician staff in offices of practising accountants, commerce, industry or government.

Further Qualifications

A second qualification to add to your ACA will give you even better career prospects. SOA offers highly successful courses for all leading examinations, including ACMA, ACCA, etc.

An ATII will be of great benefit if your special interest is taxation – but the examination of the Institute of Taxation sets a demanding standard. SOA students consistently score success thanks to the clear, comprehensive and up-to-date course material.

Your SOA Course

Whichever course suits your objectives, you will receive personal tuition from experts – backed by concise material which is clearly presented and easy to assimilate. You will be able to study at home – at whatever time and pace suits you best. And you will be on your way to success – like thousands of other SOA students!

POST THE COUPON TODAY FOR FULL DETAILS



**The School of Accountancy
& Business Studies** EST. 1910

The School of Accountancy & Business Studies,
Dept M754 or Dept M754
Intertext House, Intertext House,
Stewarts Road, 341 Argyle Street,
London SW8 4UJ. Glasgow G2 8LW.
Tel. 01-622 9911. Tel. 041-221 2926
or Dept M754 Fox House 37 College Green Dublin Tel 712454
Please send me full details, without obligation, about your courses for:

Name.....

Address

Accredited by the Council for the Accreditation of Correspondence Colleges.
Member of the Association of British Correspondence Colleges.

Revenue Report

in the absence of fraud or tax evasion, and in the light of his arrangements for the future, would be Draconian. However, no award of costs would be made in favour of the appellant.

As this was the first appeal to be brought under section 40 (1) (i), the Tribunal made some general observations on the requirement of a security in the light of the facts of this case.

Acceptable excuse

Although the appeal had been allowed, the Commissioners could require the appellant to submit monthly returns and require security if he defaulted without an acceptable excuse. However, the Tribunal would be loth to justify the amount of a security which, as in this case, was calculated on the basis that it took the Commissioners at least a year to institute proceedings against a surety. Perhaps a more reasonable amount would be an estimate of the tax payable by the trader over a six months' period

since, after having notified the surety of a default, the Commissioners could then require a further security.

The Commissioners should also review their ancient form of penalty bond, and adopt a form of guarantee such as was used in modern financial dealings. Under the present bond, legally they could require the surety to pay £10,000 not only if the appellant failed to account for VAT, but also if he failed to comply with any of the extensive requirements of the law and of the Commissioners relating to VAT. Although the Commissioners would not knowingly act unreasonably in enforcing such a bond, they should confine their rights under such a security to default in the payment of VAT, as provided by section 32 (2). The existing form must increase the difficulty of a trader to obtain the consent of a bank to act as surety for more than was envisaged by Parliament.

Selwyn Evans v. Commissioners of Customs and Excise (CAR/79/124, September 4th).

How to Check the Black Economy

Self-assessment for income tax could check the growth of the black economy [*The Accountant*, July 5th], in spite of claims to the contrary by the Inland Revenue, Mr Dick Taverne told the recent Rating and Valuation Conference. 'Much undeclared income might see the light of day', he said 'if everyone was required to make an annual declaration of all his sources of income in the full knowledge that heavy penalties would result from a false declaration.'

Mr Taverne, Director-General of the Institute for Fiscal Studies, argued that self-assessment would bring an enormous saving of civil servants and would be popular because it would give many people a repayment at the end of the year. This had certainly been the experience in other countries.

Self-assessment would also remove the obstacles to taxation of receipts from social benefits where these exceed the tax threshold. Chancellors of the Exchequer would find it convenient because changes in tax rates could be more easily accomplished without the massive strain



Mr Dick Taverne

on the Revenue's resources which each change now involves.

He saw it as a grave error to regard the present system of cumulative PAYE as sacrosanct. It could be replaced by a proportionate system of PAYE with an annual return completed by each individual as part of a system of self-assessment.

HEAVY FINE ON PAYE DEFAULTER

'Loyalty bonuses' paid without deduction of tax led to a fine of £24,000 on a Norfolk boatbuilder recently. Mr Justice Woolf, sitting at Norwich Crown Court, said that businesses which did not pay the proper rate of tax in respect of their employees had an unfair advantage over their competitors.

'It has to be made clear that those involved in frauds of this type will be severely punished, and I am making an example of you.'

The Court heard that, in order to retain the services of skilled workers, Mr George Boaden paid out some £5,000 a year, over a four-year period, in untaxed bonuses. The amount of PAYE involved was put at £6,089, which had now been paid.

NEW DIGEST ON REVENUE INVESTIGATIONS

The new system of Inland Revenue accounts investigations is explained in detail in the latest *Accountants Digest No. 81* 'Inland Revenue Accounts Investigations', published by the Institute of Chartered Accountants in England and Wales.

The *Digest* analyses why the new system was introduced and discusses the reasons for selecting individual accounts for detailed scrutiny. The basic features of new-style inquiries – the Inspector's initiation of inquiries, the attitude to be adopted by the accountant and his client, interviews, and the bases and amounts of settlements – are all dealt with in detail.

REVENUE PAPER

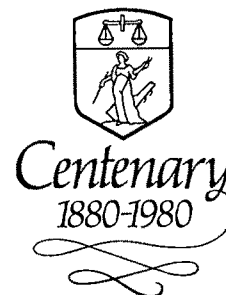
Michaelmas Term 1979

The following have been set down for hearing in the Court of Appeal:

Booth *v.* Ellard
Berry *v.* Warnett
CIR *v.* Garvin
CIR *v.* Rose
Eilbeck *v.* Rawling (Inspector of Taxes)
Edwards (Inspector of Taxes) *v.* Clinch
White (Inspector of Taxes) *v.* Davies
Roome and another *v.* Edwards (Inspector of Taxes)
Von Ernst et Cie SA and others *v.* CIR
Alloway *v.* Phillips (Inspector of Taxes)
Esslemont *v.* Estill (Inspector of Taxes)

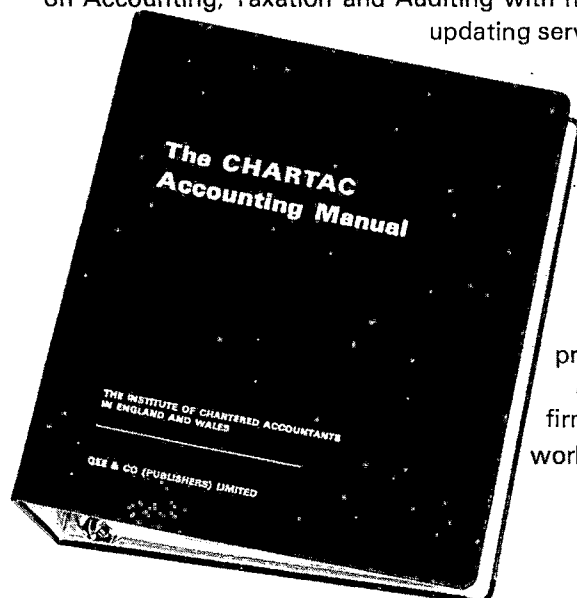
Chartac Technical Manuals

A New Service for Accountancy Practices



A new series of Chartac Technical Manuals for professional accountancy practices is to be launched in January and will be published for The Institute of Chartered Accountants in England and Wales by Gee & Co (Publishers) Ltd.

Devised as companions to The Chartac Administration Manual, the series will comprise loose-leaf manuals on Accounting, Taxation and Auditing with narrative sections, forms, check lists and standard letters. An updating service will be offered to cover any significant legislative changes or pronouncements affecting the content of the manuals.



The manuals are being prepared by Michael Groom, FCA, as series editor, together with three of his partners, Douglas Fairbairn, Chris May and John Stubbs. Mr Groom, a member of the Council of the Institute, is the author of the Administration Manual and until three years ago was a sole practitioner. The manuals are intended primarily for the smaller and medium-sized firm which may not have the technical resources available to provide the range of documentation offered in the manuals. The authors have had the benefit of material submitted by over 80 firms, and the manuals can be regarded as part of the continuing work of the Institute to help members improve practice standards and efficiency.

The Chartac Accounting Manual will be the first to be published, followed by The Chartac Taxation Manual and The Chartac Auditing Manual. A Model File common to the Accounting and Auditing manuals will be published separately. The list of contents for The Chartac Accounting Manual includes the following sections: general administration, accounts preparation, accounts finalisation, technical notes, management accounting, other accounting work, forms, check lists and pro formas.

If ordered now, The Chartac Accounting Manual will be made available at a special pre-publication price of £35 plus £1.30 postage – a saving of £10 on the full price.

There will be a special pre-publication offer for the Taxation and/or Auditing Manuals provided that those wishing to purchase the manuals indicate their intention to do so now, and send their remittance on receipt of invoice one month before publication.

Special Pre-publication Offer

To: GEE & CO (PUBLISHERS) LTD
151 STRAND, LONDON WC2R 1JJ

Please send copy/copies of
THE CHARTAC ACCOUNTING MANUAL
on publication in January at the special pre-publication price
of £35 plus £1.30 postage.

Remittance enclosed £

Name

Address

.....

.....

Please reserve me copy/copies of The Chartac Taxation
Manual and copy/copies of The Chartac Auditing
Manual. My remittance will be sent on receipt of invoice one
month before publication.

Name

Address

.....

Objectives of a Corporate Report

by HENRY LUNT, BCom, MCom, FCA

Principal Lecturer, Preston Polytechnic

A corporate report is a sophisticated package whose contents are affected not only by company law but also by statements of standard accounting practice (both UK and international), by Stock Exchange listing requirements and EEC directives. Many companies also include additional voluntary information.



To understand why a particular piece of information has been included, it is necessary to be familiar with these documents. For example, source and application of funds statements are governed by a statement of standard accounting practice (SSAP 10), and half-yearly accounts by the Stock Exchange. Value added statements are voluntary at present, though the recent Green Paper on company accounting and disclosure (Cmnd 7654, *The Accountant*, September 13th) would like them to be covered by an accounting standard.

If an economy is concerned with the allocation of scarce resources, and investors take part in this process by supplying or withholding capital from a company, then any information which they might use in taking these investment decisions is part of the optimal allocation of resources. Thus financial accounting plays an important part in the success of an economy.

Merchant adventurers

Accounting began soon after the invention of coinage, which had developed by 700 BC, presumably when the objective was to help an individual keep track of his own wealth. This developed into a double-entry book-keeping system in Venice by the mid-14th century, when the objective was to record the separate voyage accounts of the merchant adventurers. With the Industrial Revolution and the consequent need for large amounts of capital, there began the divorce of management and owners and

hence the need for the managers to account to the owners. Thus the concept of stewardship became important, where management accounted to the shareholders for the resources with which they had been entrusted, and successive Companies Acts since 1844 have prescribed what information must be disclosed to the shareholders.

This traditional view of stewardship as the sole objective of financial reporting is no longer tenable. Why there has been a change is difficult to determine, but one can look first at certain developments in society and then more closely at the needs of shareholders.

There has been a general trend in society to 'accountability' where the boundaries of who is accountable to whom have been generally extended, and this trend has embraced the business sector. Also, a slackening of interest in the profit of a business, and more awareness of the role of business in society, has meant an increasing interest in financial statements which reveal more than the profit of the enterprise.

There are some who argue that the search for financial reporting objectives has been left too late. The Accounting Standards Committee was established at the end of 1969 to produce standards on a range of accounting topics, and it was hoped that this programme would go some way towards meeting the criticisms levelled at the profession in the late 1960s. However, they dealt with details of accounting practice rather than tackle the fundamental objectives.

It is clear that any progressive profession must at some stage call a halt and critically examine what is being done and why. This event took place in 1973 in the USA with the issue of the Trueblood Report and in 1975 in the UK when *The Corporate Report* was published (*The Accountant*, August 21st, 1975).

What are the objectives?

Before we can answer this question, we need to understand how objectives should be established. Accounting theories are based on principles designed to meet chosen objectives; there are no 'natural' laws of accounting, which is a man-made subject designed to meet the needs of man. The selection and establishment of principles upon which practices are based will be those which best meet those needs, and it is generally accepted that accounting principles should be derived from agreed objectives. The production of a financial statement is not an objective in itself.

We speak of accounting 'conventions', such as conservatism; a convention of exaggeration could have been adopted, if it was felt that this would be more useful. A convention such as driving on the left-hand side of the road is useful – providing all road users understand and follow it. It is not necessarily 'better' than if we followed the alternative convention of driving on the right-hand side.

Similarly, it is not helpful to ascertain the objective of a financial report by

Student Roundabout

comparison with an abstract concept, such as 'true and fair'. Until we know what is the objective of a financial report, and produce information to help meet that objective, one cannot say whether any information produced does in fact give a 'true and fair' view of the information required.

Thus the search for objectives must involve gathering information about the needs of potential users of financial statements. Once those needs have been established, then the accountant must develop the best means to meet those needs, which then become his objectives.

Accountants provide a service, for which the community pays. The objective of financial statements should be what the user wants; it is not possible to deduce these from observable facts, as the user may not at present be receiving the information he needs. The accountant has no natural right to exist, and unless he meets a need (as in any business) then his role as a reporter of financial information will become redundant. One can envisage the corporate report continuing to exist, but the place of financial information inside that report becoming of less and less importance.

Financial accounting is concerned with communication, which involves a behavioural approach on behalf of the accountant to the recipient of that information. The usefulness of the information to the report user will depend on his perceptions and on whether the information meets the criteria of being relevant, understandable, reliable, complete, objective, timely and comparable.

Progress

If information is to be useful, then one must answer the questions 'to whom' and 'for what?'. Once the answers to these questions have been identified, then we have made some progress towards establishing the objective of financial reports.

The first question may be answered by listing the potential users of corporate reports: shareholders, both individuals and institutions, investors, employees, loan creditors, analysts/advisers, the Government, suppliers and customers,

competitors and the public. The second question may be answered by looking at their needs; shareholders are perhaps the most interesting group and these will be looked at first and in more detail than the others. Traditional corporate reports have catered for this group with emphasis on the concept of stewardship.

Shareholders, as well as being concerned with stewardship, are concerned with whether to buy more shares, to sell or maintain their existing shareholding. This decision will involve a prediction of the future, and it is pertinent to ask whether conventional financial statements do help to predict the future; and, if not, should information be provided to aid this prediction? This decision-orientated information is an extension of the stewardship function.

External sources

Once it is known how a shareholder takes an investment decision then the accountant can begin to look for ways to provide the appropriate information. It should be recognized that financial statements are only one part of the information that a shareholder may use when taking an investment decision. However much accounts are adapted to meet the needs of shareholders, other information from external sources will be needed: for example on the state of that industry and the economy as a whole.

The information provided should help to reduce the level of uncertainty about the future. If investment decisions are not to be a form of gambling, where the outcome of events by definition is uncertain, then useful information must be provided. This should make a contribution towards the allocation of scarce resources.

However, the importance of individual shareholders must not be exaggerated. With the growth of unit trusts and the pre-eminence of institutional shareholders, the individual shareholder plays a less prominent part. Institutional investors may be able to extract additional information because of the size of their shareholding; banks may also be able to insist on further information. It is for this reason that the Trueblood Report stated that financial

statements should 'serve primarily those users who have limited authority, ability or resources to obtain information and who rely on financial statements as their principal source of information about an enterprise's economic activity.'

Detailed information

The discussion of potential users of financial reports has so far considered only the shareholder. The needs of investors, institutions and analyst/adviser groups will be broadly similar except that the latter two groups would like and could use more detailed information. The other user groups will be concerned with liquidity, the efficiency of management, the economic stability of the firm, conditions of employment, future prospects and the role of the business in the community.

Both *The Corporate Report* and the Trueblood Report attempted to reduce to a sentence what was the fundamental objective of corporate reports:

'The fundamental objective of corporate reports is to communicate economic measurements of and information about the resources and performance of the reporting entity useful to those having reasonable rights to such information'. (*The Corporate Report*)

'The basic objective of financial statements is to provide information useful for making economic decisions.' (Trueblood Report)

In order to meet these objectives, *The Corporate Report* advocated the inclusion of six additional statements in company reports.

Distribution of reports

The Companies Act 1948 requires a copy of every balance sheet, including every document required to be annexed thereto, to be sent to each shareholder. However, the inclusion of additional information in corporate reports and the wide range of influences on that report make the corporate report more complex and bring into question the need to distribute a full document to all shareholders.

Should the corporate report be distributed to other users? There appears to be three views on this subject

A legacy means a lot to the limbless



18,000 limbless Ex-Service men depend on the British Limbless Ex-Service Men's Association.

BLESMA is not aided by the State. But we urgently need money to help these brave men conquer their handicap. And to equip and maintain homes in which they convalesce and are given care and comfort in their old age.

This is where you can help. A donation from you will give hope and encouragement to those who gave so much for their country. A legacy would mean a lot to them.

Donations and information:
Major the Earl of Ancaster, KCVO, TD
Midland Bank Limited,
60 West Smithfield, London EC1A 9DX

**BRITISH LIMBLESS
EX-SERVICE MEN'S ASSOCIATION**

ASSOCIATION OF COST & EXECUTIVE ACCOUNTANTS

Examinations are held in June and December
Exemption is granted on a subject-for-subject basis

**F.C.E.A. (FELLOW)
A.C.E.A. (ASSOCIATE)**

*Members can designate themselves as
'Incorporated Executive Accountant'*

For full details of membership and

T.C.A. (Technician in Costing & Accounting)
Dip. E.F. (Diploma in Executive Finance for non accountants)
C.M.A. (Certificate in Management Accountancy)
Dip. E.M.A. (Diploma in Executive & Management Accountancy)

Write, giving age, qualifications and experience to:

Sushil K. Das Gupta, B.Com, LL.B, ACIS, AMBIM, FCEA, APMI

The Secretary-General

The Association of Cost & Executive Accountants

330 Holloway Road London N7 6NJ

Telegraphic Address: TACEA London N7. Telex: 23411. Telephone: 01-609 4195

The Complete Computer Bureau Service

*Sun Alliance Computer Services
provides standard accounting packages
that are simple to install for the
small to medium company.*

*They include comprehensive services
for payroll, sales, purchase and
nominal accounting, stock control
and dividend writing—as well as
minicomputer systems for in-house
computing and data transmission.*

*For full details, please write
or phone John Hirons,*



**SUN ALLIANCE
COMPUTER SERVICES**

Beacon Building, 1301 Stratford Road,
Hall Green, Birmingham B28 9AP.
Tel: 021-777 3283.

A.C.C.A. I.C.M.A. I.C.A.

Guaranteed exam coaching from Metropolitan College.

A.C.C.A., I.C.M.A. and I.C.A. exams are never easy. With our proven home study courses you get all the help you need.

Over 50,000 passes and 1,500 honours or leading places in accountancy exams alone. So if you want to get on, *get our help.*

Courses include up-to-date helpful notes, test practice, expert tutorial criticism, invaluable self-examination questions and official professional publications where appropriate.

For our prospectus (it shows you how we teach and what we teach) send now: The Principal, Department ATA05 Metropolitan College, Aldermaston Court, Reading RG7 4PW, or call at the Metropolitan College Advisory Office, 4 Fore Street Avenue, London EC2Y 9DT. Tel. 01-628 2721.

**Call in and see us at our LONDON ADVISORY OFFICE
Career Books, 4 Fore Street Avenue, London EC2Y 9DT
Telephone: 01-628 2721**

Prospective students are invited to call for consultation
during office hours (Monday-Friday, 9 a.m.-5 p.m.).
After office hours, messages are recorded for the Advisory Officer.

FAST AIRMAIL SERVICE FOR OVERSEAS STUDENTS

Accredited by the CACC

Member of the ABCC

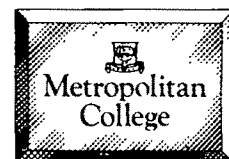
POST COUPON NOW!

To the Principal, Dept ATA05 Metropolitan College, Aldermaston Court, Reading RG7 4PW. Please send me, without charge or obligation, a copy of your prospectus.

Name
(Block capitals please)

Address

Post Code Age





Sir Anthony Tuke

At the end of the day a banker is concerned about people

This is a special aspect that also concerns you

Banking revolves around confidence and trust in people. I observe that around the world the happiness and stability of countries is a reflection of the way in which their people show care for one another. Thoughtfulness actually pays dividends.

There is one great change that has happened in society almost unnoticed and needs thought and action – many, many people are living much longer; and we have done little to adjust to the consequences. Thousands of the old are left in complete loneliness; housebound, and with never a visitor. Cold and hunger condemn others to suffering and slow death. Medical advance has not been matched by social advance. Most of the developing countries have no social services and even lack sufficient food, particularly in disaster areas.

One organisation is pre-eminent in using care, imagination and voluntary initiative to remedy this neglect – Help the Aged. When considering your bequests to the future, think of the way in which a legacy for such work can go on benefiting others for years to come. Tax concessions now mean that a gift can cost your estate less than its charitable value.

* Testators may specify if they wish a bequest to be used for a particular purpose.

Write or telephone for interesting information booklets and the annual report and accounts to: **The Hon. Treasurer, The Rt Hon. Lord Maybray-King, Help the Aged, Room TA 7L, 32 Dover Street, London W1A 2AP (Telephone 01-499 0972).**

IMPROVE TAX KNOW-HOW WITH IN-HOUSE COURSES

- * **Practical Tax Training** comes to you with a tailor-made course designed to meet your specific requirements.
- * Pre-course discussions ensure the course content and emphasis is geared solely to your operations.
- * Active delegate participation encouraged.
- * Visual aids used, with comprehensive supplementary texts, designed for a controlled team environment.
- * CPE accredited.

Quite simply, our courses are the most cost-efficient method of training personnel in the various levels of practical tax appreciation. For a brochure giving full particulars please telephone Horsham (0403) 62047 or clip coupon.

To: Carolyn Hayes, PTT, 4 South Street, Horsham,
West Sussex RH12 1NR.

Please send me your brochure on in-house tax courses

BLOCK CAPITALS PLEASE

NAME

FIRM

ADDRESS

PHONE

Understanding Accounts

Unlike the majority of introductory books on accounts, this useful study book by F. A. J. Couldery, FCA, FCCA, FCIS, starts with balance sheets, proceeds to profit and loss accounts, and then examines the areas of practical importance – fundamental accounting concepts, cash flow and funds flow statements, depreciation, accounting ratios, valuation methods.

There are numerous diagrams and illustrations, and a second colour is carried through the book to good effect, highlighting the important features. The visual impact is quite unlike any other book in its field: each topic is illustrated as it is discussed. To the newcomer to accountancy, that must be a powerful aid to memory. The book contains many questions and fully worked answers.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.**

Please send copy/copies of
UNDERSTANDING ACCOUNTS
at £3.50 plus 30p postage (airmail £1.25)

Remittance enclosed £

Name

Address

A

Student Roundabout

of distributing reports to shareholders. The first is that financial accounts are too complex and they must be simplified in order to become intelligible to the user. This could be achieved by the use of more written statements explaining the accounts, and less financial detail. (That there is a keen interest in written reports is evidenced by the keen interest many users have in the chairman's report.) In addition, the notes to the financial accounts could be re-written by a communications expert to express in layman's terms the accounting principles used; for example, depreciation. Such a summary set of accounts as described above could be circulated to shareholders with the opportunity of obtaining a full report on request.

An alternative view is that accounts are complex, because the economic events the financial statement purport to show are complex. Any attempt to simplify the information will mean that the user will have less real understanding of those events. Furthermore, if accountants do attempt to simplify, then the user may forget what he is using is a simplified version and come to regard the accountancy profession as simplistic.

Stewardship

Should communication be an objective of financial statements? If the objective of reports is stewardship, then this can easily be communicated by an audited set of accounts; if the objective is to aid the user make investment decisions, then this can be achieved indirectly by sending full corporate reports to the analyst – adviser group, from whom investors seek expert advice for their particular needs. Thus the shareholder will seek advice from stockbrokers, journals and newspapers. That users seek external advice to understand accounts should not worry the accountant; it is a foolhardy person who, when ill, walks into a chemist's shop and selects an 'appropriate' drug by reading the labels on the bottles!

Most company reports have a general purpose approach, assuming that the needs of different user groups coincide, and that a statement useful to shareholders will be useful to all. *The Corporate Report* recognised that this

was not necessarily the case, and grafted on to the financial accounts additional statements for specific users – for example, the employment report. This in turn raises the problem of whether it is better to assume that more information is necessarily 'better' and keep on providing additional information; or to tailor a report to specific user needs and send a different report to different user groups.

Conclusion

This article has attempted to show that the search for the objectives of corporate reports involves the identification of users, their needs and how best to meet those needs. The contents of corporate reports have increased dramatically in

recent years – it seems incredible that, until 1929, company law did not require a profit and loss account to be produced, while consolidated accounts remained an optional extra until 1948!

There are still many new, largely untried additional statements that could be produced in corporate reports to help meet user needs still further. These include statements of future cash flows, the disclosure of budgets, multiple-value reports (where different financial statements are produced depending on which accounting measurement is used, for example net realisable value, replacement cost or historical cost), and statements showing a much greater disaggregation of information. However, these statements lie in the future.

ICMA GRADUATE RECRUITMENT FILM

As part of a concerted effort to scoop up the cream of graduates, the Institute of Cost and Management Accountants have supplemented their audio-visual recruitment aids with a 20 minute film designed to show that there can be intellectual stimulation in the daily work of an ACMA.

In order to be as realistic as possible, the film, *Six Figure People*, shows six graduate ICMA members going about their various jobs, including, for example a scene where financial discussions take place over the din of a peanut butter conveyor belt. Each of the members describes the content of his/her work, what it involves and its particularly interesting aspects. It is perhaps unfortunate that the one woman in the film spends a large part of her time in confidential negotiations with banks – so the opportunities to watch her in action are very limited and more time is devoted to her social life – which may or may not deter potential female recruits.

Copies of the film (produced by Adrian Bridgewater of Hobsons Film Division, publishers under licence for CRAC) will be supplied free of charge to university and polytechnic careers services and will also be on loan to appropriate organisations. Further information can be obtained from Ms Jane Fletcher, Education Officer, Institute of Cost Management Accountants, 63 Portland Place, London W1N 4AB (01-637 2311).

NEW PUBLIC LECTURE AT ABERYSTWYTH

Mr David Richards, FCA, President of the Institute of Chartered Accountants in England and Wales, will deliver the first of a new series of annual accounting lectures established at the University College of Wales, Aberystwyth, by the South Wales Branch of Deloitte Haskins and Sells. The firm have also offered a series of three prizes to students studying accounting at Aberystwyth.

Mr Richards will be speaking on 'The Future of the Professions' for the opening lecture on October 29th, 1979.

INCOMPLETE RECORDS PACKAGE

A new package course on 'Incomplete Records' is now available from the ICAEW. The package, which provides material for a two- or three-day course, is intended for students at the outset of their training with professional firms, and other accounting staff seeking to gain experience in the preparation of accounts from incomplete records.

Designed for group study, the course contains a suggested timetable, lecture notes, overhead projector slides (which can be purchased separately), and notes, examples and exercises for the students. The cost of the complete package is £125; additional Students' Manuals cost £8.50 for one, or £75 for ten unbound copies.

Student Roundabout

UnEAS Considers the Eighth Directive

UnEAS is beginning to prove that it can have quite an important role to play. After the conference in Aarhus, Denmark, at the end of last month, the European student organisation has published its views on the EEC Eighth Directive in its *Joint Statement No 13*.

It is clear from this that its members as a whole do not share the reservations felt by a number of British qualified members, students, and the House of Lords Select Committee on the European Communities (*The Accountant*, October 4th). The UnEAS document contains phrases like 'logical following to the previous Directives' and 'in agreement with both the objectives of European unity and with the rules of independence and qualification required from the statutory auditor'.

This is not to say that the British influence was weak; on the contrary, the views of the Association of Chartered Accountant Students' Societies seem to permeate the statement. Melvin Taylor was, of course, general secretary of UnEAS until recently. Also present at the conference were two ACASS representatives – Ian Davies, president, and Steve Mitchell, executive member.

The belief that the relevant professional body in each country should take responsibility for ensuring minimum standards of education and training has been expressed by ACASS previously ('Student Roundabout', June 14th). UnEAS goes further with its

suggestion that this duty be imposed on the professional bodies by the directive.

It also recommends that a consultative committee be set up to ensure that the level of training provided by each country is adequate. They suggest that it forms part of an already established body such as the *Groupe d'études* and that it should also consider any practical problems arising from the directive and ensure that the detailed syllabuses of each European body are comparable – a difficult task considering the present differences between the profession in each country.

Another suggested amendment to the directive, the need to include test of professional competence, is identical to that considered by ACASS – ie that it should consist of an interview, an auditing case study and a lengthy project. Amongst other suggestions on training, UnEAS includes a list of the subjects required to provide a balance of experience for an auditor, the belief that internal audit experience (not exceeding a period of one year) should be acceptable as practical training and also that the latter six may take place after the theoretical exam has been passed. UnEAS endorse the view that theoretical education should take place at university or other higher-education establishment and also that students should play a part in the preparation of education syllabuses.

On the subject of practising in other

EEC countries 'the approval of a person of a member state to carry out statutory audits and a demonstration that they have sufficient legal knowledge – UnEAS feels that the test need not be preceded by a period of practical experience but that the national body should set the tests. A working knowledge of the language is obviously essential.

The statement expands on this when considering how the test could be administered or implemented: namely, that it should consist of an interview to ascertain both 'familiarity with current controversies in the profession' and 'professional background as an accountant'. Equally important is the need for examination on the host country's current legislation.

ACCOUNTANCY TOPS COURSE

In these times of extensive cuts it is good to hear that the TOPS course in accountancy has not felt the weight of the axe. For the second successive year, the London School of Accountancy has been appointed by the Manpower Services Commission to run the one-year Institute of Accountancy Staff training course.

Like other TOPS courses, it is intended to retrain suitable men and women for a new career. Successful candidates receive a personal subsistence allowance and all tuition fees are paid. Applicants who should be over 21, with at least 4 'O' levels or relevant experience can write to the principal, Mr John A. Grenier, FCA, at 17 Longford Street, London NW1 3PX; or telephone Melanie Givens on 01-588 5107/5108.

John Foord
chartered surveyors
plant and machinery valuers

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

Applicable as from September 1st, 1979

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * BOOK-KEEPERS
- * ACCOUNTS CLERKS
- * WAGES CLERKS
- * MACHINE OPERATORS

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

Chartered Accountants

CROYDON

Croydon office of expanding firm of chartered accountants require newly/recently qualified staff.

Interesting and varied experience available with excellent prospects of increased responsibility. Salary dependent on experience, but not less than £6,000.

Write with brief details to Staff Partners, Wright Stevens & Lloyd, Davis House, 69-77 High Street, Croydon CR9 2RE.

AMERSHAM

CHARTERED ACCOUNTANTS

seek qualified audit seniors. Salary according to experience, but in the region of £8,000 p.a. – J. R. Antoine and Partners, 75 Rickmansworth Road, Amersham, Bucks. Tel: Amersham 22726.

Ingram Recruitment

PARTNER DESIGNATE. W1 £9,000-£11,000

Partnership in 1-2 years – P.A./Manager post involving audit of medium sized companies + general practice work. Progressive 5 partner practice.

P.A. to PARTNER. W1 £8,250+

Excellent position for young A.C.A. able to take responsibility from partners. Lots of client contact, tax and General practice work – no audit. Previous P.A. just made partner number 7 – client range from Large Public down.

TOP '8' AUDIT FODDER?

If you are now considering moving from a top 8 firm we have several clients that will interest you. Broaden your experience – salaries £7,000-£10,000.

Contact Brian Ingram on

01-458 5313

26 Spencer Drive, London N2 0QX

NEWLY OR RECENTLY QUALIFIEDS OR FINALISTS

If you have qualified within the past year or two, or are a PEII finalist expecting to qualify within the reasonably near future, you might care to consider the advantages of joining our clients.

They are a medium-sized City based firm of Chartered Accountants who are experiencing rapid internally generated expansion. They are also actively looking at situations which will give them a greater geographical spread of offices. Because of the expansion programme the future prospects for those joining them now are particularly excellent. They believe in giving full managerial responsibility at an early stage and the chances for further promotion are first class.

The Partners place great emphasis on the provision of first rate technical services for their clients and it is envisaged that successful applicants will have served with firms of repute. The in house training programme is currently being reviewed and developed so that, allied with CPE accredited outside courses, it will be even more comprehensive than at present.

They currently require the following:

ASSISTANT MANAGER

Circa £8,500

For the group dealing with smaller clients where turnovers range from £20,000 to £1,000,000 plus. It is expected that promotion would follow within a year or so to Manager.

SUPERVISING SENIOR

to £7,600

Either recently qualified or a PEII finalist with a good examination record to date. This group deals with medium to large clients. Paid study for PEII students.

SEMI-SENIORS/JUNIORS

to £5,000

Our clients need, due to expansion, semi-seniors and juniors in all sections of their practice. These could be PEII students, article transferees or studying to become Certified Accountants. Paid study leave where required.

Please contact Chris Kuhn

Dennis Chatfield & Associates

TAXATION AND ACCOUNTANCY RECRUITMENT CONSULTANTS
3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET, LONDON EC4Y 0BN
TELEPHONES 01-353 1307/1308, 01-353 5831



LONDON & HOME COUNTIES

REMEMBER NOVEMBER

THE PE2 RESULTS ARE OUT, FOR NEWLY QUALIFIEDS IT SHOULD BE A TIME TO CONSIDER YOUR FUTURE. DO YOU STAY IN THE ENVIRONMENT YOU KNOW WITH THE CLIENTS YOU KNOW OR SHOULD YOU MAKE A BREAK? NOVEMBER IS A TIME FOR INTERIM AUDITS LEADING UP TO THE BIG YEAR ENDS IN DECEMBER. IT IS A TIME WHEN FIRMS NEED GOOD QUALIFIED STAFF TO TAKE IMMEDIATE RESPONSIBILITY. IF YOU HAVE NOT YET THOUGHT WHAT A MOVE CAN OFFER GIVE US A RING OR COME IN FOR A CHAT, WE CAN GIVE YOU PROFESSIONAL ADVICE ACCOMPANIED BY PRACTICAL ASSISTANCE. MAKE NOVEMBER A TIME TO REMEMBER.

AUDIT MANAGER

£10,000+

Are you qualified with a large firm background, and feeling frustrated with your future prospects?

This dynamic medium-sized West End practice can offer an ambitious chartered accountant genuine career progression as well as excellent all round experience.

TAX SENIOR W1

£7,000

Put your experience to good use with these well established C.A.'s. They are looking for someone who is not necessarily qualified to be involved in all aspects of personal tax and to be capable of moving into the corporation tax sphere.

CORPORATE TAX MANAGER CITY

c. £10,000

If you have a strong corporate tax background with supervisory experience accompanied by a professional qualification, our client, a well known city firm, would like to meet you.

They wish to appoint a corporate tax manager whose experience and knowledge will provide effective leadership for this department.

PARTNERSHIP – MID SURREY

c. £12,000

A small but progressive firm in Mid-Surrey wishing to appoint a new Partner are anxious to meet ambitious chartered accountants with medium or small firm experience.

This is a general practice firm where hard work will be more than adequately rewarded.

FARNHAM NEW QUALIFIED/FINALIST

£4,800–£5,800+

A multi-branch provincial practice can offer a newly qualified C.A. or a finalist a satisfying career which will embrace far more than pure audit/accountancy. Varied personal and managerial consultancy together with computer based systems are the forte of this progressive firm.

WATFORD P.A. TO PARTNER

£6,500+

The Watford branch of a well known London firm are seeking a personal assistant who would ideally be qualified though not necessarily so. He/she will be responsible solely to one of the younger partners and will need initiative as well as proven technical ability.

COMPUTER AUDIT HOLBORN

£7,000

Comprehensive post qualification training will be given to an A.C.A. wishing to specialise in computer audit within a large medium-sized firm in Holborn.

A unique career opportunity exists for someone with good general experience and a genuine interest in this increasingly important field.

P.A. TO PARTNER W1

£8,000

A vital West End practice seek a young, qualified partners assistant. If you are interested in the entertainment world then this is an excellent opportunity to expand your experience in an exciting atmosphere, where benefits are rewarding and prospects second to none.

CITY FINALIST

£5,500

A top twenty firm seek a young and ambitious person with a good exam record. Extensive training and study leave will be given to someone seeking to broaden their horizons in a large firm environment.

SEMI-SENIORS FOR EUROPEAN WORK W1

£4,750

A West End firm can offer first class experience and European travel to those with a good PE1 examination record.

This firm is well established at home and abroad and presents a rare opportunity for rapid advancement. The ability to speak a European language would be a distinct advantage.

HERTFORD ALL LEVELS

£NEG.

'British Rail regrets. . . ' Why commute to London every morning when a local firm, eager to expand, is looking for staff at all levels who will be well paid.

Save time, save money and enjoy a career more varied than many in the City.

BEDFORD CORPORATE TAX

£7,000+

A major firm who have a flourishing practice in Bedford, have recently taken on more corporate tax work. This has created a need for a corporate tax manager who may have large firm experience and must be versatile in their approach to both management and client contact. Prospects are excellent for the right person.

N.B., LATE NIGHT OPENING THURSDAY NIGHTS TO 7.00 p.m.

Accountancy Personnel

Halifax House, 62/64 Moorgate, London EC2 01-628 8525
14 Gt. Castle St., Oxford Circus, London W1 01-580 9186



Topcare Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

TAX

PERSONAL TAX ASSISTANT/SENIORS

£5,000-£8,000

We have numerous posts at this level for those with experience in the field of personal taxation. Whether this has been gained with the Inland Revenue, a Bank, or within the Profession, we know that many of our clients would like to meet you. We have been placing people at all levels since 1966 and make it our business to find exactly the right positions for our candidates. If you would like to discuss matters we will be only too pleased to hear from you. SO RING, WRITE OR CALL IN TO SEE US AS SOON AS POSSIBLE.

MANAGER, WC2 £9,000+

Large firm can offer a very rewarding post to a lady/gentleman well versed in personal taxation.

SENIOR, WC2 to £9,000

International firm requires A.C.A. with some post-qualification experience in taxation.

SENIOR, WC2 c. £8,000

Our clients are a very substantial firm who seek a lady/gentleman with all-round tax knowledge.

ASSISTANTS, WC1 c. £5,500

Our clients are a substantial firm in the Holborn area.

NEWLY QUALIFIED, EC4 £7,000+

International firm seeks someone wishing to specialise. Previous tax experience not necessary.

SEMI-SENIOR, W1 to £7,000

Professional office experience essential. Mainly personal tax.

JUNIOR/TRAINEE, SW1 c. £4,000

Medium-sized firm seeks bright and ambitious young person.

SENIOR, EC2 c. £7,000

Mature person with good personal tax knowledge is sought by substantial City firm.

ASSISTANT, W1 c. £6,000

Due to expansion of the Personal Tax Dept an additional Assistant is required.

ASST. MANAGER, EC1 c. £8,000

Experience of Underwriting would be useful in this post which is with a go-ahead medium-sized practice.

JUNIOR, EC4 to £4,000

A young person with 1/2 years' personal tax experience is sought by medium-sized firm.

AUDIT

AUDIT MANAGER, EC2 c. £11,000

This large City International practice requires someone who has obtained experience within a medium/large firm.

AUDIT MANAGER, EC2 c. £11,000

First-class firm of medium size who are well established in the City require a mature person with good managerial ability.

P.A. TO PARTNER, W1 c. £8,500

An A.C.A. is sought by this small West End practice to deal with varied and interesting duties. Excellent prospects.

SUPERVISOR, WC1 c. £8,000

Recently qualified or well-experienced unqualified lady/gentleman is sought by this medium/large practice.

SENIOR, E15 to £7,500

Very suitable position for a recently qualified A.C.A./A.C.C.A. or finalist.

SMALL AUDITS DEPT, W1 £Negotiable

Substantial department of medium-sized West End firm requires experienced Senior.

NEWLY QUALIFIED £7,000+

Large firm in Central London offer excellent post-qualification training and experience.

FINALIST, WC1 c. £6,000

Here is an opportunity to join a substantial well-organised practice with a wide range of audits.

INSOLVENCY MANAGER, WC2 £15,000 + CAR

Experience in this field essential. Large International practice.

OFFICE MANAGER, EC4 £6,000+

Large firm requires someone with good book-keeping and professional office experience.

UNQUALIFIED SENIORS £6,000-£8,500

Many posts available at this level for people with auditing experience. All types and sizes of firms.

TRUST STAFF

MANAGER, EC2 c. £9,500

Opportunity to join large International firm, to deal with both Trust and Personal Tax matters.

ASST. MANAGER, WC2 c. £7,000

Small friendly firm near Charing Cross seeks Senior person with trust accounting experience.

PROVINCIAL

AUDIT STAFF

Ashford, Kent - A.C.A. P/ship prospects - £NEG

Aylesbury - Semi-Senior - to £5,000

Bexhill - A.C.A. - £8,000

Brighton - P.A. to Ptn. - c. £9,000

Eastbourne - N.Q. A.C.A. - to £8,000

East Grinstead - Audit Mngr. - c. £6,000

Harrow - Audit Senior. P/ship - £NEG

High Wycombe - Audit Senior - £6,000+

Ipswich - Audit Spvsr. - to £8,000

Ipswich - Semi-Seniors - to £6,000

Lewes - N.Q. A.C.A. - £8,000

Mitcham - Audit Senior - £NEG

Newbury - P.A. to Ptn. - c. £6,000

Northampton - Audit Senior - to £7,000

Oxford - Audit Senior. P/ship prospects - to £8,000

Reading - P.A. to Ptn. - to £9,000

Salisbury - P.A. to Ptn. P/ship - £NEG

Southampton - Accounts Assist. - £NEG

Southend - P.A. to Ptn. - c. £7,000

Sutton - Audit Clerk - c. £4,500

Watford - P.A. to Ptn. - c. £6,500

Weybridge - Audit Senior - £7,000

Yeovil - N.Q. A.C.A. - £6,000

TRUST STAFF

Southampton - Administrator, large firm - c. £6,000

TAXATION STAFF

Aldershot - Tax Mngr. - £HIGH

Bath - Personal Tax - £4,500+

Birmingham - Personal Tax - £5,500+

Bournemouth - Tax Assistant - £NEG

Bristol - Personal Tax - £4,500+

Croydon - Personal Tax - to £6,000

Enfield - Suit A.T.I.I. student

Harrow - Corp. Tax Assist. - c. £6,500

Manchester - Suit ex-T.O.(H.G.) - £NEG

Norwich - Personal Tax Assist. - £NEG

Ringwood - Tax Assistant - £NEG

Southampton - Tax Assistant - £NEG

Thornton Heath - Personal Tax - c. £6,000

Tunbridge Wells - Tax Assistant - c. £5,000

Worcester - Personal Tax - c. £6,000

Worthing - Tax Mngr. - £HIGH

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

Develop your international accountancy career in any one of our 28 U.K. offices.

INVERNESS
 INVERNESSINV
 INVERNESSIN
 INVERNESSI
 INVERNESS
 INVERNESSIN
 INVERNESSINVERNESSINVERNETSTRUST
 INVERNESSINVERNESSINVERNE DITAUDI
 INVERNESSINVERNESSINVERITAUDITA
 ABERDEENABERDEENABERDAGEMENTCONSULTANC
 ABERDEENABERDEENABERDAGEMENTCONSULTA
 LEVENLEVENLEVENLEVENLEV OMPUTERAUDITCOMP
 CUPARCUPARCUPAR COMPUTERAUDITCOM
 KIRKCALDYKIRKCALD CORPORATETAXCORP
 KIRKCALDYKIRKCALDYKIRKORATETAXCORP
 EDINBURGHEDINBURGHED ACCOUNTANCY
 EDINBURGHEDINBURGHEDINCOUNTANCYACC
 GLASGOWGLASGOWGL ATIONALTAXINT
 GLASGOWGLASGOWG TIONALTAXINTER
 GLASGOWGLASGOWGLA SHIPSRECEIVERS
 GLASGOWGLASGOWGLAS EIVERSHIPSRECEIV
 NEWCASTLE-UPON-TYNENEWC SONALTAXPERSO
 NEWCASTLE-UPON NALTAXPERSONA
 NEWCASTLE-UPON-TYNEONSINVESTIG
 HULLHULLHULLHULLHULLH INVESTIGAT
 HULLHULLHULLHULLHULLH XPLANNINGT
 LEEDSLEEDSLEEDSLEEDSPLANNINGTAXPLA
 HUDDERSFIELDHUDDERSPUTERAUDITCOMPU
 SCUNTHORPESCUNTHORPE PUTERAUDITCOM
 LIVERPOOLLIVERPOOLLIVE SONALTAXPERSO
 MANCHESTERMANCHESTERMANCHOUNTANCYACCOU
 MANCHESTERMANCHESTERMANCHOUNTANCYACCOU
 SHEFFIELDSHEFFIELDSHEFFIELDSHEFFIEL EFFIELDSACCOU
 NORWICHNORWICHNORWICHNORWICHNORWICESTIGAT
 LEICESTERLEICESTERLEICESTERLEICESTERLEICESTERLONSI
 BIRMINGHAMBIRMINGHAMBIRMINGHAMBIRMINCYMANA ENTCONS
 BIRMINGHAMBIRMINGHAMBIRMINGHAMBIRMINANCYMANAGEMENTCO
 LUTONLUTONLUTONLUTONLUTONLUTONLUTONLERNATIONALTAXINTERNATIO
 LUTONLUTONLUTONLUTONLUTONLUTONLUTONLUTERNATIONALTAXINTERNATI
 CARDIFFCARDIFFCARDIFFCARDIFFCARDIFFCARDIFFERSHIPSRECEIVERSHIPSRE
 CARDIFF LONDONLONDONLOND RECEIVERSHIPSRECEIVERSHIPSREC
 LONDONLONDONLONDONLONDOTETAXCORPORATETAXCO
 BRISTOLBRISTOLBRISTOLBRISTOLBRISTOLBRISTORPORATETAXCORP
 BIDEFORDBIDEFORDBIDEFORDBIDEFORDBIDEFJSTSTRUSTSTRUSTS
 SOUTHAMPTONSOUTHAMPTONSOUTHAMPTO TRUSTSTRUSTSTRUSTSTRUSTS
 EXETEREXETEREXETER TAXPLANNINGTAXPLANNINGTAXPLANNINGTAXP
 SIDMOUTHSIDMOUTHSID TAXPLANNINGTAXPLANNINGTAXPLANNINGTAXPLANN
 TORQUAYTOR TAXPLANNINGTAXPLANNINGTAXPLANNINGTAXPLAN
 DARTMOUTH INSOLVENCYINSOLVENCYINSOLV
 DARTMOUTH INSOLVENCYINSOLVENCYINS
 AUDITAUDIT
 AUDITAUD
 AUDITAUDIT

For details of our vacancies
please write or telephone:

Nicholas Land or
 Arthur Hammond at
 the National Office
 57 Chiswell Street
 London EC1Y 4SY
 01-628 6088



Ernst & Whinney

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

2-YEAR POST QUALIFIED.

READING. to £9,000
Small/Medium Practice require the above. Ideally someone who has been working mainly on Large Private Co. Work. Ideal situation for the right applicant.

AUDIT SUPERVISOR. c. £8,000
CENTRAL LONDON. Medium/Large Firm are seeking a Supervisor. Ideally the person they need will have worked on the slightly larger type of work patterns and be seeking a post where challenge is rewarded. This is an excellent Firm.

ASSIST MANAGER SMALL AUDITS
DEPT. CITY. to £8,000
Medium Firm are seeking the above. Ideally the person they need will be Qualified and be wishing to specialise in this field. Excellent Firm that retains staff for long periods.

N.Q.A.C.A. CITY. c. £7,500
Medium Firm are seeking the above. Ideally the person they require will have a first class exam. record and be seeking to move into a "Ladder" situation fairly quickly.

P.A. TO PARTNER. WEST END. c. £7,000
Medium Firm with large Audits require a P.A. for an overworked Partner. Excellent Firm and Partners. Anyone joining them will have to be prepared to work hard for excellent rewards.

AUDIT SENIOR. NORTH LONDON. £NEG.
Small Firm are seeking the above. N.N.Q. Ideally the person they want will have a sound background of Audit and Accounts work. Good prospects for the right individual.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+.- Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

AN ABLE SENIOR, qualified or unqualified specialising in tax, required by chartered accountants, London NW6 to deal with a variety of substantial matters on his own initiative including the correspondence. Attractive salary with definite partnership prospects if qualified. - Write Box AA 2940.

... and if you are a competent senior who wishes to work in a small firm, London NW6 (staff eight) on larger jobs including the tax at a good salary with excellent prospects. - Write Box AI 2878.

BIRMINGHAM CHARTERED ACCOUNTANTS seek enthusiastic finalist or recently qualified accountant with wide experience in medium-size practise (including incomplete records). Suitable applicant can expect partnership at an early date. - Replies to Box BC 2898.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agy).

CHARTERED ACCOUNTANTS, LEICESTER, require a personal assistant to the partners with experience of incomplete records and personal taxation. The applicant must be prepared to work with a minimum of supervision and to deal directly with clients. Salary, commensurate with age and experience. - Box CA 2933.

CHELSEA CHARTERED ACCOUNTANTS require (a) qualified assistant to partner, (b) trainees, graduate or non graduate. Small firm but with extensive range of cases and experience. Salary by arrangement. - Please write with details of career to date etc. to Gale & Partners, Midland Bank Chambers, 44 Fulham Road, Chelsea, London SW3 6HQ.

DORSET Chartered Accountants will shortly need qualified manager in age range 25/35 for small team. Responsible for block of clients reporting direct to partners. Must have experience of incomplete records and preferably foreign accounts. Future partnership prospects for suitable person. - Write in the first instance with full c.v. to Box DC 7141.

WATFORD

CHARTERED ACCOUNTANTS

require

Newly Qualified Accountant Circa £6,500 p.a.

Are you either a recently qualified Chartered Accountant or a high calibre PEII finalist with ambition and enthusiasm, if so you may be considering a move to broaden your technical experience and outlook. We are a friendly medium-sized practice who require a personal assistant for our audit partner designate. Your duties will involve you substantially on the larger audits, together with a limited amount of staff training. A certain amount of travelling will be necessary to our London office.

We have our own in-house computer system and you will be expected to develop clients' management information reports, utilising the computer facilities.

If you feel that you can accept the challenge we are offering your efforts will not go unrewarded. Replies should be addressed to:

The Staff Partner
Chantrey Button, Bone & Co
Monmouth House, 87 The Parade, Watford, Herts
or telephone Watford 25251

CLERKS REQUIRED by Finchley firm of accountants. - Please apply Box CR 2910.

EALING CHARTERED ACCOUNTANTS require senior audit staff to take charge of accountancy, audit and taxation work with responsibility to partners and dealing directly with clients. - Write giving full details to Box EC 2888.

EXPANDING FIRM of accountants in Dulwich urgently require a senior and semi-senior accountant, qualified and/or experienced - able to work on own initiative, to prepare accounts from incomplete records and audit small companies. Salary negotiable. - Write to or telephone, Leslie Sequeira, 01-693 9518, Leslie J. Sequeira & Co, Lloyds Bank Chambers, 2 Woodwarde Road, Dulwich, London SE22 8UJ.

EXPERIENCED SEMI-SENIORS required by London W1 firm of chartered accountants. Transfers of articles considered. Salary negotiable according to ability and experience. - Telephone 01-636 9376.

FINCHLEY PRACTICE wants 3 semi-seniors - minimum two years' experience. Good training on audit, tax and accountancy - competitive salaries paid. - Brian Ingram Associates, 01-458 5313.

JUNIORS AND SEMI-SENIORS required by expanding firm of chartered accountants in Wembley Park. - Please write to Felton Associates, 112 Wembley Park Drive, Wembley, Middlesex.

LIVERPOOL CHARTERED FIRM require senior for growing practice covering wide range of work and providing excellent opportunities for acquiring experience and responsibility. The successful applicant is likely to be newly (or nearly) qualified to have had experience of small audit/accounts preparation work and be keen to progress. - Box LC 2911.

LONDON ACCOUNTANT in sole practice requires assistant to produce accounts from incomplete records. This is an expanding practice offering a good salary for person experienced by background or qualification. - Send details to Box LA 2899.

MEDIUM FIRM of chartered accountants require (1) Seniors, qualified or unqualified. (2) Tax senior, qualified or unqualified. Good working conditions. Salary according to age and experience. - Telephone Mr J. Mehta, 01-248 6724.

PARTNERSHIP PROSPECTS with North Notts practice. Person with 2/3 years' post-qualifying experience required. Wide range of clients. Pleasant area. - State full particulars and salary required to Box PP 2900.

ACCOUNTING

Small West End Chartered firm requires an audit semi-senior. The work involves preparing accounts including auditing your own work. Good experience is the main qualification needed.

Initial salary circa £4,500.

Applications giving brief details in your own handwriting to:

Smee Moore & Co
50 Monmouth Street
London WC2H 9ES

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act. Our service to applicants is personal, confidential and free

COMMERCE • PRACTICE • INDUSTRY • PRACTICE • INDUSTRY • PRACTICE • INDUSTRY • PRACTICE

GABRIEL DUFFY (CONSULTANCY)

Evenings/weekends Slough 46539

29 Thurloe Street
London SW7 2LQ
01-581 0895

AUDIT MANAGER EC2

c. £11,000

Audit and general practice. Experience of multiple retailers essential. A.C.A., possible partnership prospects in medium-sized firm. Similar post W.C.1.

OFFICE MANAGER & COMPANY SECRETARY W1

c. £6,000

Age to 45. Competent, experienced persons familiar with accounts and the internal administration of a practitioner's office.

NEWLY QUALIFIED WC1

£7,000

Medium-sized practice with offices throughout the Midlands and South seeks Audit Seniors for quoted companies and small businesses. Excellent career development training.

AUDIT MANAGER EC1

to £10,500

Medium-sized practice, reporting to one partner. Audit orientated but tax and other functions involved. Possible partnership medium term. Similar post W.1.

P.A.s to PARTNERS SW1 & EC1

c. £8,000

General Practice and audit of medium-sized companies. Both progressive firms offering good prospects of partnership in the medium term.

AUDIT SUPERVISOR WC1

£8,000

2 years' P.Q.E. or several years' professional experience. Technical competence and good personality essential. Wide range of clients throughout U.K. Medium-sized firm.

CONSULTANTS SW1

c. £9,000 plus car

A.C.A.s to join special projects team in internal organisation. Internal audit/Management Accounts/Investigations.

TAX SPECIALISATION A.C.A.s/PE2s

To £7,500

Full training given to A.C.A.s without previous tax experience. We can arrange a programme of suitable interviews.

P.A. TO PARTNER

WEMBLEY

C. £6,500 plus car. General practice in prospering firm. Partnership prospects.

PARTNER DESIGNATE

SOUTHALL, MIDDX

£7,000-£8,000. PE2 Finalist or recently qualified A.C.A. Short-term partnership prospects. General practice and routine tax.

AUDIT MANAGER/SENIORS

IPSWICH

Manager to £9,500. Audit biased Practice and local office of major International firm.

AUDIT SENIOR

OXFORD

To £8,000. 2-3 years' P.Q.E. Possible partnership prospects in medium-sized firm. Generous relocation expenses.

NEWLY QUALIFIEDs

EASTBOURNE

To £8,000. Young A.C.A.s with provincial general practice experience and U.K. tax knowledge for expanding firm. Partnership prospects within three years.

A.C.A.s/PE2 FINALISTS

SURREY/SUSSEX

£6,750-£8,000. Dynamic, expanding group of Practices. Offices: BEXHILL, BRIGHTON, CROYDON, HORLEY, HORSHAM.

PARTNER DESIGNATE

READING

£8,000-£10,000. Ambitious A.C.A. with min. 2 years' P.Q.E. Age, to mid-Twenties. General Practice/small private cos. Partnership in the medium-term.

NORTH LONDON. - Permanent position for a semi-senior/senior accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. - Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

PERSONAL TAX SENIOR

required by 3-Partner North London Chartered Accountants to organise and develop tax department. Experienced with good general working knowledge of income and capital gains taxes. Direct contact with clients. Plans to increase and develop existing cases. Salary £5,750+. - Please write with C.V. to Howard Wade & Jacob, 13 Bruce Grove, London N17.

PERSONAL TAXATION Small Business/Company Accounts

SENIOR/MANAGER EXCELLENT PROSPECTS

Rapidly expanding firm of Chartered Accountants, two minutes Charing Cross. Qualification preferred but not essential.

£6,000-£8,500
Box PT 7153

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6397.

ROMFORD. - Chartered accountants require experienced, full- or part-time audit, accounts and tax staff. - Full details of experience and age to Box RC 6404.

SEMI-SENIOR OR JUNIOR for small office, London NW11. - Please apply Box SS 2901.

SENIOR AND SEMI SENIOR clerks required by chartered accountants in City, near Liverpool St. - Tel. 01-247 9853.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

TAX. - A senior required by C.A.s, London NW, at a good salary wishing to specialise and/or take charge of a small tax department with several substantial cases. Definite partnership prospects if qualified. - Write Box TA 2942.

TAX MANAGER wanted by five partner firm of chartered accountants with offices in mid-Kent. Applicants must have a proven ability in dealing with both corporate and personal taxes and be seeking a high level of responsibility within the firm. This is a senior position with increasing opportunities for client advisory work and a salary will be negotiable at a level appropriate to the responsibility involved. For further details please contact the Staff Partner, Kingsford Garland & Co, 72 Bank Street, Maidstone. - Tel. Maidstone 51809.

WEST COUNTRY CHARTERED ACCOUNTANTS require senior assistant (not necessarily qualified) as assistant to partner. The applicant must have small practice experience in preparing accounts from incomplete records, taxation, etc. Opportunity to join progressive firm with five offices. Salary negotiable. Pension scheme. - Apply: K. A. Symons, Lentells, 23 High Street, Taunton, Somerset. Telephone: Taunton 86274.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. - 01-405 4457.

WEST END chartered accountants require senior and semi-senior audit staff. Good salary and prospects are offered for the right applicants. - Box WE 2889.

YOUNG CHARTERED ACCOUNTANT required to join a progressive practice in a delightful area of the country. Excellent further all round experience will be gained particularly with the smaller business enterprise. This will include audit, taxation and a close involvement with clients and partners. Assistance will be given with removal expenses where appropriate.

The firm is a founder member of the 'Offa Group' - an association of Independent Firms of Chartered Accountants which is arranging various training courses and other activities.

Please write with full details of experience and salary to date to Elton P. Edwards, FCA, Little & Co, 16 St Owens Street, Hereford.

£7,500 p.a. IS OFFERED to a competent senior to handle tax and accounts in a small firm of C.A.s, London North West. - Please apply Box LS 2941.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. - Write Box AC 2923.

ARTICLES/TRANSFERS from £3,250. - Pembroke & Pembroke operate a national service. - Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CERTIFIED STUDENT required for practice in Euston, London. Good all round training given. Progressive salary. - Write Box CS 2924.

CHARTERED ACCOUNTANTS in Southall, Middlesex, urgently require an articled clerk who has completed Foundation Course an A.C.C.A. student also considered. Excellent working conditions and prospects. - Please telephone Mr Jolly 01-571 1066.

COMMERCE AND INDUSTRY

ACCOUNTANT, not necessarily qualified required for busy commercial company based in North London. Excellent salary car supplied. - Details in writing to Beatty & Co (Ref. PL), 324/326 Holloway Road London N7 6NJ.

A FAST-GROWING group of companies in North London require an accountant with initiative to take control of accounting financial and administrative functions. They will report directly to the managing director. There will be an opportunity to share in the growth of the group. Initial salary £7,000-£8,000. Car and pension will be considered after short probationary period. - Please writing giving full details of career to date to: G. K. Jacob, 13 Bruce Grove London N17 6RA, or phone 01-801 2246. **C.A. WOULD SUIT** semi retired, world which mainly involves the interpretation of accounts, can easily be conducted within the home. Average earnings between £3,000 and £4,000 per annum. - Apply Donald Mowatt, ICC Ltd, 81 City Rd, London EC1.

GROUP ACCOUNTANT

Qualified accountant to take charge of all financial matters for a group of small companies operating in the printing, computing and property fields. This is an opportunity to get in on the ground floor and create something really worth while.

Applicants should be aged 30-40 with commercial experience and will be required to work in London. Starting salary £6,000 p.a. plus other benefits, including profit sharing.



Applications in first instance to
The Managing Director
Jenkmor Finance & Investment Ltd
33 Crawford Street, London
W1H 1PL Tel: 01-402 6165/6

FINANCIAL DIRECTOR (DESIGNATE)

A. H. McIntosh & Company Limited is a leading domestic furniture manufacturer, with two factories in Scotland employing approximately 650. Based at Kirkcaldy, Fife, it is a private 'family' Company which now has a small number of important institutional shareholders.

The senior-management team requires someone with specific responsibility for financial management and the overall development of systems of financial information and control. The Company is developing the use of computer systems and an effective accounting staff is led by a qualified

Chief Accountant. Initial appointment will be as Financial Executive/Company Secretary and Board appointment should follow within two years.

The person appointed will possess an accountancy qualification and be able to demonstrate significant experience of financial management, cost control and of an understanding of various aspects of general management, preferably in industry.

Salary in the region of £12,000 (plus car, contributory pension, etc.). Assistance with re-location will be offered.

Applications with full personal details in strict confidence to:
R. W. Adams, Esq., FCMA, J.Dip.M.A., Managing Director,



A.H. McINTOSH & CO. LTD.
KIRKCALDY KY1 3LX

COMPANY SECRETARY

Age up to 40 required for company engaged in sales and world-wide distribution of raw material produced by overseas parent company. To be responsible for final accounts and usual secretarial duties. Modern offices in E. London; pension/life assurance scheme; holiday commitments honoured.

Write in confidence with full details to
Box CS 7163.

DEVON SOLICITORS with expanding practice require accountant to manage the accounts department and in due course to advise the firm and clients on fiscal and other financial matters. The applicant must have good experience of the solicitors' accounts rules. Salary by negotiation. - Please write with full details to M. T. Penny, Messrs Veitch & Co, 2 Market Street, Crediton.

VETERINARY SURGEONS in Wanstead with other business interests require a person with about 2 years' experience in a small firm of accountants. The person must be adaptable. - Please telephone Martin Duke to discuss the situation on 01-989 7744.

WANTED. - Book-keeper and/or accountant to handle overall administration of book-keeping and related matter. London area. Salary according to age and experience. London area. - Telephone Mr J. Mehta, 01-248 6724.

OFFICIAL APPOINTMENTS

Derby Lonsdale College
of Higher Education

SENIOR LECTURER/ LECTURER GRADE II

in
ACCOUNTANCY, with particular emphasis on Taxation, Auditing, Financial Management, Management Accountancy, duties to commence as soon as possible.
Salary Scales:

Senior Lecturer:
£6,597-£7,701-£8,253.
Lecturer Grade II: £4,470-£7,149.

Application forms and further particulars may be obtained from the Staffing Officer, Derby Lonsdale College of Higher Education, Kedleston Road, Derby DE3 1GB, to whom completed forms should be returned by Wednesday, October 31st, 1979.

THAMES POLYTECHNIC
SCHOOL OF BUSINESS ADMINISTRATION

PRINCIPAL LECTURER/ SENIOR LECTURER ACCOUNTING AND FINANCE

The post is a challenging one and requires a person of energy and vision. The successful candidate should hold a higher degree and professional qualification in accounting, have business or professional experience and have taught financial or management accounting at degree level and have the ability to initiate and encourage research. An outstanding applicant may be appointed Head of the Division of Accountancy, Finance and Law; whoever is appointed will have the opportunity of proving their suitability for that position. Thus this is an opportunity to lead and strengthen a team at a time of important course developments at both first and higher degree level.

Applicants who would like to discuss the post on an informal basis are invited to contact the Head of School, Geoffrey Randall (01-854 2030).

Salary scales: Principal Lecturer: £8,226-£9,069 (bar)-£10,185 inclusive. Senior Lecturer: £7,143-£8,247 (bar)-£8,799 inclusive.

Further particulars and form of application may be obtained from the Staffing Officer, Thames Polytechnic, Wellington Street, London SE18 6PF, to whom completed applications should be returned by November 6th, 1979.

UNIVERSITY OF STIRLING LECTURER/SENIOR LECTURER IN ACCOUNTANCY

Salary scales:

Lecturer - £4,333-£8,992
Senior Lecturer - £8,698-£10,775
under review.

Applications are invited from suitably qualified persons for a post in the Department of Accountancy and Business Law. Applicants with an interest in taxation will be particularly welcome. Opportunities for research are increasing and members of the Department may apply for sabbatical leave of one semester after completion of three years' service. The academic year is divided into two semesters.

The Department offers subjects within a relevant accountancy degree of three years and there is also a four years' Honours degree. Combined Honours degrees involving a wide range of other subjects are also available to students.

Applicants who may wish to have an exploratory discussion with the Head of Department, Professor J. M. S. Risk, B.Com, PhD, C.A., F.C.M.A., F.C.I.S., F.B.I.M., should indicate this when applying. Consideration will then be given to inviting selected applicants to visit the University on an informal basis.

Further particulars are available from the Secretary (TR), University of Stirling, Stirling FK9 4LA, to whom applications should be sent by Monday, November 5th, 1979.

UNIVERSITY OF STRATHCLYDE DEPARTMENT OF ACCOUNTANCY AND FINANCE PROFESSOR OF ACCOUNTANCY AND FINANCE

Applications are invited for the Professorship and Headship of the Department of Accountancy and Finance which has become vacant on October 1st, 1979 on the resignation of Professor R. J. Briston, to take up an appointment at another University.

The post will be remunerated within the Professorial range for universities with U.S.S. benefits.

Application forms and further particulars (quoting 28/79) may be obtained from the Registrar, University of Strathclyde, Royal College Building, 204 George Street, Glasgow G1 1XW, with whom applications must be lodged by November 10th, 1979.

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. - Please reply to Box AB 6413.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. - For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

A FOUR-PARTNER CITY FIRM of accountants needs to fill vacancy due to retirement.

A short probationary period will be required prior to equal equity partnership.

All replies will be answered and treated in strictest confidence. - Please reply Box AF 7167.

A WEST END CHARTERED ACCOUNTANT, Jewish, needs a partner. Must have practising certificate and small firm experience. - Please apply Box AW 2913.

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF
WEST SUSSEX/HAMPSHIRE
to £250,000 GF

**GLASGOW/EDINBURGH/
BIRMINGHAM/BRISTOL/CARDIFF/
DUNDEE/EASTERN COUNTIES**

to £500,000 Plus GF
DEVON/CORNWALL/SOMERSET
to £100,000 GF

**CAMBRIDGESHIRE/NORFOLK/
BEDFORDSHIRE**
c £40,000 GF

DENNIS CHATFIELD & ASSOCIATES
WHEATSHAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
**TELEPHONES 01-353-1307/
1308/5831.**

BE A FRANCHISED ACCOUNTANT!!!

West & North London, Croydon,
Reading & Bournemouth

Part-time 2 evenings & Saturday mornings, or full-time. Under 30 and preferably unqualified, but must have at least 5 years' recent professional experience in incomplete records and must be quick at figures. We are a well established and expanding practice in association with the London Federation of Self-Employed. Interviews throughout the U.K. Accommodation available, if desired. No capital required.

Please telephone 01-993 1296 Miss Scott, 9 a.m.-1 p.m.

BELFAST/DUBLIN. - Inquiries are invited from firms who wish to pursue merger or association relationships. Strictest confidence. - RMA, Tel. 0245 81166.

BIRMINGHAM. - A Chartered Birmingham Practice of long standing now wishes to expand by merger, or acquisition, and can offer firms seeking a constructive merger excellent back-up and advantageous terms. Ample cash is available to provide an attractive capital consideration of up to one-and-a-half times G.F. with or without personal continuity. - RMA, Tel. 0245 81166.

BRISTOL. - We have many clients wishing to acquire practices or blocks of fees on attractive terms. RMA, 0245 81166.

CARDIFF MERGER/ACQUISITION. - Cardiff practice established circa 1905, G.R.F. in the region of £180,000, seeks to acquire practices or blocks of fees within an area bounded by Barry, Bridgend, Pontypridd and Newport, and in Carmarthen. Our client is able to offer up to one-and-a-half times G.F. as a capital sum and if required will also provide scope for the principal(s) to continue with a most beneficial agreement. Alternatively firms seeking growth and future development by merger can stand to gain a great deal and make rapid advancement. Full details given in confidence. - RMA, Tel. 0245 81166.

C.A. IN PRACTICE wishes to acquire block of fees to £10,000 which could be serviced from the Croydon area. Would also be interested in contact with practitioner considering retirement. - Box CA 2946.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. - Box CA 6414.

CHARTERED ACCOUNTANT with a practice in West End wishes to acquire a small practice. Would also be interested in discussions with practitioner considering retirement. - Box CA 2915.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. - Box CA 6409.

CITY ACCOUNTANTS seek merger with over-burdened sole practitioners looking to lighten their load or contemplating retirement. - Please reply Box CA 7168.

COUNSELLING for overworked, under-capitalised and frustrated practitioners who require guidance on Practice Disposal, Merger and Valuation. Reference available, confidence observed. RMA, 0245 81166.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantage. - Please reply to Box CC 7137.

CITY FIRM of chartered accountants concerned to give a personal service to clients is interested in requiring additional fee income from a practitioner wishing to retire. - Box CF 2947.

ENFIELD. - £60,000 G.F. This growing practice established 1967 operates from High Street offices and provides a general accountancy service. RMA, 0245 81166.

ESSEX. - If you have a practice within the area of Chelmsford, Ongar, Romford or Southend and wish to sell contact us today in confidence. - RMA, 0245 81166.

EXTENSIVE EXPERIENCE, F.C.A., desires partnership/working arrangement, £6,000+ own fees and $\frac{1}{4}$ of time available. - Box EE 2904.

HEREFORDSHIRE. - F.C.A. 30's, partner, southern counties provincial practice, wishes to return home if commitments will allow. Any propositions? - Box HF 2916.

IPSWICH

National Firm of Chartered Accountants
require a

PARTNER DESIGNATE

to assist in the development of an established office.

Applications from existing practitioners would be considered.

Box IN 7151.

LANCS - Chartered Accountants not satisfied with their present problems would be interested in purchasing others. If you are considering selling your practice or a block of fees up to £40,000 we would be interested in buying. Funds available for cash settlement.

Would also consider merging with firms whose Principals envisage retirement within the next 5 years with a view to eventual succession.

Interested parties should write to:

N. Snodgrass,
560 Bolton Road,
Bury, Lancs.

LEICESTER C.A. with extensive industrial experience wishes to return to the profession by purchasing a small practice or block of fees or partnership. - Box LC 2892.

MANCHESTER CHARTERED ACCOUNTANTS, three partners, G.R.F. £65,000 would welcome discussions with other practices with a view to merger. - Box MC 2905.

MANCHESTER. - Eager, highly organised Chartered firm with spare capacity, wish to acquire on very advantageous financial and personal basis. - RMA, Tel. 0245 81166.

NOTTINGHAM. - G.Fees c. £14,000. Practice for disposal due to Principal's pursuit of other interests. Established circa twenty years with around 140 clients. - RMA, Tel. 0245 81166. (24 hrs).

PARTNERSHIP OR OUTRIGHT SALE in practice in West Yorkshire, established fifty years. G.R.F. over £40,000. Continuing three-year lease. Loan available. - Box PO 2936.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. - Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

PRACTITIONER WISHES to acquire old-established practice where a personal client service is highly regarded. - Please reply in strictest confidence. - Box PW 2937.

SE. HERTS. - G.F. £60,000. Would consider selling two blocks. Circa 300 clients, lease available. - RMA, Tel. 0245 81166.

SELLING/BUYING/MERGING. - RMA have successfully completed many UK transfer assignments. If you have a specific problem, or just wish to gain a fresh perspective on these vital matters, our Managing Partner can arrange for a convenient consultation. RMA, Tel. 0245 81166.

Greater Birmingham Merger/Acquisition Required Firm Estb. c. 1869 GF c. £10m

■ **AN OPPORTUNITY** has arisen for practitioners in the Greater Birmingham area to take full advantage of our client's resources and professional position to enhance their own. The combination of services, systems, training schemes, national coverage and international connections offered, merit your immediate consideration.

■ **MERGER.** Our client's practice is structured so that each office has complete autonomy, individual character and flexibility, and in this way can provide incoming partners with the greatest scope for personal fulfilment, better client service and a strong competitive advantage.

■ **ACQUISITION PROPOSALS.** Up to $1\frac{1}{2}$ times the Gross Fees will be paid in capital and, in addition, a valuable consultancy contract provided if this is required. To find out more about these excellent opportunities contact us in strictest confidence today. Your identity will not be disclosed to any party without permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

The North of Ireland Merger/Acquisition Required By Belfast Firm GF £ $\frac{1}{4}$ m

■ **AN EXCEPTIONAL** opportunity has emerged for Accountants in the Belfast area, and North of Ireland generally, to consider how the future of their practice could benefit from our clients' proposals. Inquiries are invited, therefore, in strictest confidence and on the understanding that nothing will be divulged by us, without your permission to any party whatsoever.

■ **OUR CLIENT** has ample space available, a progressive approach and outlook, highly qualified staff and specialists, international business and connections, successful systems and training facilities and is convinced that a compatible merger with an established firm in the North of Ireland could be most beneficial to both parties.

■ **ACQUISITION PROPOSALS.** If you are contemplating sale, retirement, or full/partial withdrawal from practice and wish to realise the best deal, we are prepared to offer up to $1\frac{1}{2}$ times the GF as a capital sum plus consultancy arrangements if required.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

Merger/Acquisition National Firm GF £10m Plus Greater Cardiff Area

■ **OUR CLIENT** a long established Chartered Practice of National stature, with an increasing number of strategically placed offices throughout the United Kingdom, now seeks to develop further by means of a compatible merger or acquisition in the Cardiff area.

■ **THE ADVANTAGES** which would accrue to firms seeking growth by merger in this area would include exceptional training assistance, availability of highly advanced systems, expert specialist counsel and, in addition, substantial geographical benefits both nationally and internationally for the promotion of client attraction, retention and development to the full potential.

■ **THE SETTLEMENT** envisaged will be generous – in the case of acquisitions up to 1½ times GF with highly attractive consultancy options. In the case of mergers, as our client believes in the autonomy of each office, individuality and personal contribution will be maximised. To discuss these excellent opportunities contact us in strictest professional confidence at once.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables **RESOURCE**

VALUATIONS FOR PRACTICES, equity shares, blocks of fees and dispute situations. – RMA, Tel. 0245 81166.

£40,000. – High-quality G.R.F. for sale North London. £80,000 cash required. – Box LF 2893.

SUBCONTRACT WORK

EXPANDING FIRM in Hornchurch Essex require subcontractual assistants. Must be fully experienced in company audits, incomplete records and be prepared to work to trial balance stage. – Replies (own handwriting please) to Box EF 2928.

NORTH LONDON. – Permanent position for a semi-senior/senior Accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. – Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

SOUTH-WEST MANCHESTER ACCOUNTANTS require subcontractor for incomplete records and some management accounting on a regular basis. – Apply Box SW 2948.

SUBCONTRACTOR REQUIRED to produce final accounts from incomplete records. Ability to audit limited companies preferred but not essential. Staines and Feltham area. – Box SR 2897.

A.C.A., N. LONDON requires subcontract work – will collect and deliver. – Available on phone during all office hours. – Box AC 2906.

A.C.C.A. (33), seeks subcontract work, small/medium company audit, incomplete record related tax work, VAT, etc. Excellent service. Competitive rate. Collection and delivery. – Apply Box AC 2917.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. – Please reply to Box AC 6415.

CHARTERED ACCOUNTANT available for subcontract work in Leeds area. – Please phone Leeds 458242.

CHARTERED ACCOUNTANT seeks subcontract work in Central, West or South West London areas. Wide experience in all fields. – Please reply to Box SA 2927.

CHARTERED ACCOUNTANT with good all-round experience seeks subcontract work within 20 miles of Harrow/Wembley area. – Box CA 2907.

CHARTERED ACCOUNTANT (44), with extensive experience of incomplete records seeks long-term arrangement with smaller firm to prepare accounts to draft stage with relevant tax computations and returns. Prompt collection and delivery assured. South Essex area preferred but could suit London firm with staff problems. – Box CA 2949.

F.C.A. – Kensington – seeks regular subcontract work. Will collect and deliver or work partially on own premises if required. Prompt and efficient service. – Box FC 2894.

F.C.A. with wide experience in all fields, seeks subcontract work in London and Surrey. Contact immediately. – Box FC 2950.

PEII FINALIST with twelve years of intensive all-round professional experience, seeks permanent subcontract work. Available immediately. – Box PE 2951.

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. – Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

A.C.A PART QUALIFIED (Asian origin – 48) varied experience in accounting, complete/incomplete records, auditing, taxation, book-keeping (including group of companies, solicitors, property companies etc). Seeks suitable permanent position, in profession, commerce or industry in or around London. – Please write Box AP 2930.

CHARTERED SECRETARY/ACCOUNTANT (46), ten years U.K. experience in profession seeks employment. Salary negotiable. – Write Box CS 2938.

F.C.A. with many years' successful experience in commercial management seeks financial consultancy arrangement on two/three days per week, arrangement in London or Home Counties. – Box FW 2939.

PEII FINALIST immediately available, seeks permanent position in a medium-sized practice in London. Five years' good experience in incomplete records, audits and accounts of companies with up to £4 million turnover. – Replies Box PE 2952.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex

01-553 2184/5

Freelances and Job Applicants required also.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. – Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. – All replies to Box AC 6416.

TRAINING CONTRACTS

AN A.C.M.A with accountancy qualifications, seeks training contract with a C.A. firm. – Please write, Box AA 2931.

SERVICES

RI+B

Robert Irving + Burns
23-24 Margaret St.,
London W1N 8LE
Telephone: 01-637 0821 (10 lines)

LET US SOLVE YOUR RENT REVIEW OR LEASE RENEWAL PROBLEMS

Contact **Robert Serlin FSVA, FRVA, MRSH**
(Head of Professional Department)

on 01-637 0821

COMPANY FORMATIONS

**COMPANY FORMATIONS
READY-MADE COMPANIES
COMPANY SEARCHES**

for

immediate attention
write or phone

**THE LONDON LAW
AGENCY LTD**

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

A BACKED SERVICE. – Limited companies formed or ready made. – Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

**READY-MADE
COMPANIES
NOW AVAILABLE**

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

What's the fastest way to form a company?

With over 100 experienced people on our staff and around 700 ready-made companies on our books we can offer you an unbeatable turnaround on company formation and a far broader range than anyone else. Perhaps that's why we've formed more companies than any other company?

For a quick reaction simply call David Hodgson in London on 01-253 3030 or Michael Counsell in Bristol on 0272 32861.

Jordans

We always come up with the answers

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETLEBURGH LIMITED
140 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON
EC4Y 0HE. Tel. 01-353 1441
Ring any day - any time - 24 hour service

COMPANY SEARCHES. - Prompt and reliable personal service at moderate rates. - M. & D. Searches, 19 Manor Gate Road, Kingston-upon-Thames. 01-546 1471.

READY-MADE COMPANIES available now, also formations, etc. - Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81.68 including books, seal, VAT, *Speedy searches.* - Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

LIMITED COMPANIES

formed to your requirements with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

Express Co Registrations Ltd
30 CITY ROAD
LONDON EC1

LIMITED COMPANIES

NEW FORMATIONS

—AND—

READY-MADE COMPANIES FOR ALL TRADES £90
(Complete: no hidden extras)

ALSO

COMPANY SEARCHES

Searches, Seals, Registers, etc.
Descriptive literature from:

GRAY'S INN COMPANY FORMATIONS LTD
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

MORTGAGES

ABANDON CHASING THAT MORTGAGE. - 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. - Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

A COMPREHENSIVE MORTGAGE SERVICE. - Maximum loans for professional applicants. Very competitive top-up facilities. Attractive second mortgage scheme. Speedy mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing, etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. - Rowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. 01-908 3434 (24 hours).

SECURED LOANS and remortgages for accountants. - 01-346 4653. Martin Hasseck Ltd, Freeport, London NW4 1YB. **100 PER CENT MORTGAGES** available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. - Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

MORTGAGES AND RE-MORTGAGES

on freehold and 60-year leasehold private dwelling-houses, purpose-built flats and part occupation dwellings, arranged over a 20-year term through highly reputable building society, also joint mortgages. No restriction on age of property if in good condition. Maximum advance £19,500. - For further information please write or telephone, M. P. Joseph (9 a.m.-5 p.m.), 01-242 9936, 125 High Holborn, London WC1.

MISCELLANEOUS

PERSONAL

DATLINE'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

PART TIME TUTOR REQUIRED. Experienced or recently qualified C.A. required to teach PEII students. Top hourly rate and hours by arrangement. - Please reply Box PT 2932.

OFFICE MACHINERY AND EQUIPMENT

1979/1980 FACSIMILE TAX FORMS NOW AVAILABLE

SHARPTHORNE PRESS
149 Stafford Road, Wallington, Surrey
Tel. 01-647 9510

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

BUSINESS PREMISES

ACCOUNTANTS close to Wembley Park Station have spare office capacity of approximately 300 sq. ft with car parking space available. - Telephone 01-902 0355. **SPARE OFFICE SPACE** available to share services for a sole practitioner in the City area. - For details contact Box SD 2920.

GLASTONBURY SOMERSET

First floor suite in prime High Street position available for long lease.

Separate ground floor access leading to newly decorated self-contained offices, with all usual amenities.

Telephone Glastonbury
(ST 0458) 33393

BUSINESS OPPORTUNITIES

SUCCESSFUL and well-established accountants (London, Croydon, Reading, Bournemouth) require mortgage of £30,000 to be secured on a commercial freehold property value £40,000. We offer 15% p.a. or may be paid by way of consultancy fees of £4,500 p.a. - Please telephone Miss Scott 01-993 1294.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

NOTICE TO APPLICANTS YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that the reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

Services Directory

COMMODITY BROKERS

Jeremy Oates Ltd
16 Monument Street, London EC3R 8AJ
Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans
Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010
Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Jordans
Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010
Leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd
Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd
225 Seven Sisters Road, London N4. Tel. 01-272 5436
Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited
Millbay Road, Plymouth, Devon. Tel. 0752 68814
Specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd
1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544
TRIPOS - An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd - Computer Systems and Software
375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566
Liverpool, Leeds, Manchester, Birmingham, Bristol. The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd
Lichfield House, 85 Smallbrook Queensway, Birmingham 5. Tel. 021-643 4743
Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Saint Andrew Computers Limited
9 South St David Street, Edinburgh. Tel. 031-556 7554
Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

PA Computers and Telecommunications (PACTEL)
Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex: 8813082
Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd
9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663
Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd
15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892
Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd
Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394
Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants
Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321
Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited
22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353
Telex: 264420. Contact Michael Southgate
Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services
54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN
Tel. Maidenhead (0628) 37123
On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd
49 Queen Victoria Street, London EC4N 4SA
Tel. 01-248 0071
The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd
27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336
(Ring, write or call)
Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Savitt's Office Equipment Ltd
Head Office: 20 Brewer Street, London W1R 4DE
Branches: 61-63 Beak Street, London W1R 4JA
186 Fleet Street, London EC4
Tel. 01-439 8331/7
Furniture - Stationery - Typewriters - Calculators

PENSIONS

Duncan C. Fraser & Co
24/28 Cheapside, London EC2V 6AB.
Tel. 01-248 6981
and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.
Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd
Sapphire House, Long Stratton, Norwich NR15 2TH
Tel. Long Stratton (0508) 30324 and 30448
Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates
418-422 Strand, London WC2R 0PL. Tel. 01-836 2843
Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group
Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex: 935109
(Open 7 days a week)
Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc
25 Old Burlington Street, London W1X 1LB
Tel. 01-439 6007. Telex: 299905
Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services
17 Wigmore Street, London W1H 9LA
Tel. 01-580 5816. Telex: 24637 WIGMOR G
Full Business Service inc. telex, typing, mail/telephone; offices for short-term hire; photocopying, translating etc

STOCKBROKERS

John M. Douglas & Eykyn Bros
76 Cannon Street, London, EC4N 6AE. Tel. 01-248 4277.
Members of the Stock Exchange, established 1852. Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co
Ling House, 10-13 Dominion Street, London EC2M 2UX
Tel. 01-628 9311 (Established over 100 years)
Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skailes, FCA

Phillips & Drew
Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236
Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co
Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332
Telex: 667783 and London
Services include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Bracegirdle & Brittain
Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311
Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new buildings, dilapidations etc

James Barr & Son
Chartered Surveyors, 213 St Vincent Street, Glasgow
Tel. 041-248 3221
Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger
6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561
(and at Worthing, Hove, Eastbourne, Crawley)
Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd
30 Goodge Street, London W1. Tel. 01-580 1800
Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses
40 Charterhouse Square, London EC1M 6EA
Course Registrar: Jean Slough. Tel. 01-606 0121/7
CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations
Imperial House, 15-19 Kingsway, London WC2B 6UU
Tel. 01-836 1840 and 01-836 1923
All languages - all deadlines

Special Feature

Business Efficiency

- | | | | |
|--------|--|--------|---|
| p. 561 | Which Show to See
<i>Harry T. Chambers</i> | p. 572 | Electronic Exchanges – What Do You Get For Your Money?
<i>C. J. Egginton</i> |
| p. 562 | Striking a Balance
<i>Wendy Dickinson</i> | p. 574 | Speeding Up the Mail
<i>Sheila Hart</i> |
| p. 566 | How a One-man Practice Uses Microcomputing
<i>Ian Skinner</i> | p. 577 | The Office for the Eighties
<i>Harry T. Chambers</i> |
| p. 570 | Word Processing, Fact or Fiction?
<i>William H. Cottle</i> | p. 578 | New Products at the International Business Show |

Which Show To See

by HARRY T. CHAMBERS

As most readers are aware, every year there are a number of exhibitions devoted to various aspects of office organisation – microfilm, word-processing, mailing, business computer systems, to name but a few. Then every other year occurs the International Business Show at the National Exhibition Centre, Birmingham. This is the all-embracing shop window of the British business equipment industry. Unless you happen to be living and working in the Midlands, is it worth the long trek to visit it?

The answer depends on what you are looking for. If you have already narrowed the field down to one particular type of equipment it would probably be better to go to the specialist show dealing with that kind of equipment. On the other hand, if you are looking generally for ideas to improve your office efficiency you should pick up at least a few at the IBS.

A certain amount of the show is taken up with what have long since come to be regarded as bread-and-butter products. I rather doubt if you are going to get very excited about a new typewriter or the latest stapler, although you may look on either rather differently if a dealer or overseas importer.

There will be a cross-section of

business computers on show including a number of new and improved models. These include models which have been reviewed in these columns over the past few months, for which software specifically for the professional practice is available.

For anyone in the market for a small business computer it could be a good opportunity to get an idea of the capabilities of the current models. Even if they are not demonstrating the kind of programs needed, at least a number of rival models can be viewed in action, which would otherwise be very time-wasting if it was necessary to go round to all the various showrooms.

Incidentally, the show has a computerised directory system which should

sort out all the stands on which a particular type of product is displayed – you only need to ask for what you want to see at one of the inquiry desks.

Further to computers, most of the furniture manufacturers will be showing 'terminal tables'. These are tables designed to house a VDU. Some are adjustable for height and tilt to aid operator comfort. Adjustment apart, they follow a fairly standard pattern. The main table is designed to house the VDU – one version for VDU units, which have the keyboard attached to the screen, and another for separate keyboard and screen. To this flaps or wings can be attached on the left or right, or both sides at the operator's option, to hold the documents being processed. I only wish they had found another name for them; 'terminal table' suggests an incurable disease. Up to the time of writing nothing else really new in furniture has been announced. As in the recent past, you have a choice between traditional, free-standing and screen-based systems. There is emphasis on details such as rounded edges to desks – not, I think, before time. Reproduction office furniture is confined to the boardroom and the offices of board members or, presumably, senior partners. Whether this is because it is expensive to make reproduction office furniture or because few reach the top until they are middle-aged I do not know.

Where metal storage units are concerned, the cult of grey which held sway for so long has now given way to a combination of beige and brown, something

which also applies to a good deal of metal-cased equipment. At least it is a somewhat less depressing colour to live with. How many people are bothered by the colours found in the office can only be a matter for speculation. It is usually said that only women are concerned about the aesthetics of their surroundings.

One thing which has been proved is that if cold colours are used in the office everyone will want the heat turned up a few degrees higher than if they are surrounded by warm colours. Maybe the present beiges and browns are inspired by the 'save it' campaign!

Copiers have now almost passed into the bread-and-butter category of office equipment, but anyone looking for a plain-paper copier will find most of the new models controlled by a microprocessor with the claim that it makes the copying more reliable and, should a fault occur, the control panel can tell you where to look. We have not yet reached the stage where it will clear the fault, but maybe that is asking a bit much.

One noticeable thing is that plain-paper copiers are moving down market, with models for lower copying volume requirements, which also are edging towards short-run duplicating with 30-copies-per-minute models complete with automatic paper feeds and collators.

So much has been written about word processors and word processing in the past two years that there hardly seems to be anything more to say.

Dual function

There are at the IBS a reasonable cross-section from stand-alone models to systems with shared logic and communication capabilities. However, in industry and commerce, and probably in the larger professional practice, the business computer systems now on the market, which also offer word-processing capabilities, allow the possibility of killing two birds with one stone. Two separate systems are hardly necessary if accounting and word processing can be done on the same piece of equipment.

On the other hand, is it better to have smaller, simpler stand-alone pieces of equipment each dedicated to one set of tasks? It will be surprising if, in the coming decade, we do not hear a lot of arguments in favour of one or the other.

We have undoubtedly now reached a stage where microprocessors can provide

us with more than sufficient computing power to handle all the routines likely to be wanted on a computer, including word processing. With high-density diskettes and other storage devices we are also well on the way to the paperless office. The debate over the next decade will be not so much how this can be achieved as what form it will take. Will it be a case of every man with his own personal computer, or one highly centralised system? Common sense

dictates that we will, as usual, end up with a compromise somewhere between the two.

What I am convinced we will not see is the completely automated office where the only human in sight is a standby engineer waiting in case something goes on the blink. Most office problems, particularly in an accounts office, can be quantified, but there is always that quality decision somewhere along the line which needs a human decision.

Striking a Balance

by WENDY DICKINSON
Kalamazoo Business Systems

Fifty years an efficient business was one which boasted a first-class filing system and a nimble-fingered typist. But today companies are constantly bombarded with all kinds of tempting aids to efficiency – from the humble pocket calculator to sophisticated computers. It's hard enough for an individual company to select and use the different systems available but the professional accountant has a double-edged problem. He has to get the maximum from his own business and strive to improve efficiency for his clients as well. For an accountant the two are closely dependent on each other.

Obviously when one talks about efficiency, computers are never very far out of the picture. In fact, accountants must be a little tired of hearing that computer technology is the biggest challenge they now face. The problem is not recognising the challenge but knowing how to handle it and how to use computers to achieve maximum efficiency.

Many accountants who are having problems finding qualified staff are looking to computers for the solution to their difficulties. Experienced clerks seem to be a dying race. The profession is fast becoming a graduate profession and the recruitment of articled clerks – or student chartered accountants as they are now known – is mainly confined to the larger practices offering more attractive salaries.

As well as salaries they offer wider experience of large company business and by implication, little or no experience of medium to small companies. The smaller practices, therefore, are often left with a wealth of talent at the top and

bottom ends of the organisation but not in the middle. It's this gap which accountants are looking to computers to fill. As well as helping to solve staff problems many accountants believe that computers could go a long way to solving their problems with incomplete records. But in fact it's in this area – which takes up a vast amount of time and effort in most accountancy practices – that computers are not fulfilling their promise.

Incomplete record packages are not new – they have been available on a bureau basis for ten years and on visible record computers for about half that time but their availability on low cost in-house microcomputers is fairly recent. The computer packages available normally comprise programs to prepare a nominal ledger from basic information. Depending on programming the final output is either a trial balance or draft accounts.

All packages have the capacity to produce schedules which are required for the audit file and some of the better



Computer Services Midlands Ltd.



INCOMPLETE RECORDS SOLVED!!

A complete VDU/Disk based system for less than just £20 per week

Based upon the 32K Commodore PET, with Twin Disks and Printer this Incomplete Records System has to be seen to be believed. Using traditional methods of Incomplete Records Accounting accounts may be prepared AT LEAST 50% QUICKER than by manual means.

Each client's information is held on a standard 5¼" Floppy disk which is used to hold all his details from narrative on entries through to trial balance, completed accounts and even accounts cover. The clients disk may be retained for the following year when new opening balances and comparatives would be loaded automatically or alternatively it may be overwritten for use by another client.

FULL WORKING PAPERS CAN BE PRINTED AT ANY TIME AND ALL ENTRIES CAN BE ACCOMPANIED BY NARRATIVE. AT ALL TIMES THE ACCOUNTANT IS IN COMPLETE CONTROL.

Even so possible errors of an accountancy nature really are minimised. The computer operates a strict double-entry system and as such will never allow the ledger to be out of balance.

These are some of the routines which may be selected:-

Ⓐ Prime Entry Analysis	Opening Balances Journal Entries Bank Payments Bank Receipts Cash Bankings Cash Withdrawals Cash Payments Cash Receipts Purchase Day Book Sales Day Book Sundry Debtors Sundry Creditors Depreciation	At Any Time These Features May be Turned On or Off as Required	VAT Input (by period) Locked Analysis Code Narrative Facility Subtotals on Gross & VAT Gross and Net Profits Inspect any account balance Display Bank Account Display Cash Account Recall of Previous Entries Display VAT Analysis	Print-Outs Include 1 Accounts Cover 2 Trading Account 3 Schedule of Expenses 4 Statutory Profit & Loss Account 5 Balance Sheet 6 Schedule of Fixed Assets 7 Partnership Capital Account 8 Source & Application of Funds 9 Auditors Report 10 Bank & Cash Account 11 V.A.T. Summary Report 12 Nominal Code List 13 Trial Balance 14 Full Audit Trial with Narrative 15 Full Nominal Ledger
--	--	---	---	--

Ⓑ NEW ACCOUNTING PERIOD Ⓒ MANUAL ENTRY OF COMPARATIVES Ⓓ PRINT OR DISPLAY TRIAL BALANCE Ⓔ PRINT FINANCIAL ACCOUNTS Ⓕ PRINT OR DISPLAY NOMINAL LEDGER Ⓖ SUNDRY REPORTS AND SCHEDULES Ⓗ AMENDING OF CLIENT DETAILS Ⓘ AMENDING OF NOMINAL HEADINGS Ⓛ DELETION OF ERRONEOUS ENTRIES Ⓚ COPY OF CLIENT'S DATA DISK.

***NOTE:** This system has hitherto been running on equipment costing over £12,000. It is now available for a total price of only £3480 – equivalent to around £19.00 per week if leased over 5 years. This price includes VDU, 32K processor, twin floppy disk drives, fast printer and all programs. Typewriter quality output may be achieved by the inclusion of a Daisy Wheel printer. Additionally, for only the cost of the program the equipment may be used for such services as Time Ledgers, Payroll, Book-keeping, Invoicing etc. TO SEE THE SYSTEM RUNNING AT YOUR NEAREST APPROVED DEALER CONTACT US TODAY – WE WILL PUT YOU IN TOUCH!

PHONE: 021-382 4171

Computer Services Midlands Limited
Refuge Assurance House
Sutton New Road, Erdington,
Birmingham B23 6QX

ASK FOR:- Peter Mart
or Iain Caldwell



packages have a full text editing system which produces final accounts complete in every detail and in a suitable format for presentation.

However, although the final output is extremely valuable and accountants have been impressed with some of the systems on the market, they find they can't set a junior to work on records which come in from clients. A great deal of work is usually needed to prepare data for the computer in the first place. This preparation has to be done by a fairly senior person and is understandably costly. Therefore it's fair to say that the scepticism over potential savings by using an incomplete records package is well-founded.

Manual linked to computers

A manual system linked to a computer seems currently to be the best answer. One of the systems on the market for handling incomplete records is the CARL System. It stands completely on its own as a total package but can also be used by accountants who want to incorporate a microcomputer into their operation. CARL simplifies the work of both the client and the accountant. It cuts down the risk of errors for the client and keeps costs down for the accountant who is able to produce reliable, up-to-date accounts rapidly. CARL Accounting is a partnership between Douglas Thompson, a chartered accountant who developed the system and Kalamazoo Business Systems. With CARL, information, coming in from clients, is in a standardised form and computer-compatible. If the accountant also wants to use a computer the CARL system eliminates the need for extended use of a senior persons time and means that the computer operator can get used to standard documents for faster operation.

So although CARL is in itself an answer to the problem of incomplete records it will also make the switch to computers much easier. Its advantages go even further in that it helps accountants get even more out of a computer. The computers can be programmed to produce more sophisticated and valuable information which allows the accountant to fulfill his role of advisor.

The computer can produce cash-flow statements and regular progress reports to show the rate of progress of a business compared to previous years. The progress reports will highlight where

businesses are having problems and the areas where they are doing particularly well. It is this type of marriage between manual and computer systems which is likely to provide the best package for the accountant. It's the kind of combination – of the best manual systems and the best that computers have to offer – which is likely to appeal to accountants who aren't keen on joining the computer age.

Computers in the future

Despite the increasing number of small computers on the market many accountants still have fears about handing a large proportion of their work over to a computer. Many just aren't prepared to commit themselves to buying a computer which may become obsolete in the not too distant future.

Computer technology has of course improved greatly in recent years with equipment and programs becoming more sophisticated and microcomputers taking over from the larger computers in many areas. And it's understandable for those not involved in the computer industry to be expecting equally major changes yet again. But it's probably true to say that the actual computer hardware is likely to have only minor changes. Microcomputers have reached a manageable office size and it's difficult to see how size could be reduced and manageability maintained. What changes there may be – such as improved visual display units or printers – could probably be incorporated into microcomputers already on the market. Similarly, although computer programs obviously will be developed, they can also be incorporated into existing hardware.

Striking the right balance

As far as manual systems are concerned, there are several on the market which could improve efficiency in the accountants office. An accountant is in the business of selling his time as well as his expertise and advice so any device to cut down time spent on clerical work or to increase control over the business must be welcome. And it is often the most simple and straightforward of business systems that save the most time. An efficient method of paying wages and salaries for example saves time that could be better spent on more productive work.

An efficient time-costing system is also important to the accountant. Of

course, a computer can be used for this job with the time spent on different work by the various partners being keyed into the computer. Or details can be sent for processing to a computer bureau. But a manual system has the advantage of keeping time recording up-to-date on a daily basis – and it's far less expensive. Our 'Time-Pak' system, for example, comprises a series of overlapped slips placed over a time journal. Each partner has his own pack and when he wants to record the time spent with a particular job he fills in one of the slips with the date, client, file number, subject matter and chargeable time. A code number showing the rate which that particular member of the firm charges for his time is also recorded. At the same writing the details are also recorded onto the time journal. The completed slips are posted to the clients files to form the basis for charging.

The details on the time journal give the partners an analysis of how their time is spent.

Efficient audit control

As well as an efficient time-costing system a well-run firm of accountants must have an equally efficient audit control system. A firm of several partners may well have several hundred clients with audit dates spread throughout the calendar year and over the various partners. Many firms have developed their own systems of control but many others still rely on typewritten lists which are subject to changes. And when partners have decided in advance what work is to be done, they often rely on memory or on notes in their diaries to chart the progress of the audit. This method gives little real control over the work.

With a strip index system the accountant can see, at a glance, how work is progressing for individual clients. The simple indexing system shows the accountant the work in progress, work awaiting billing and new clients waiting attention. It's impossible to give a run-down of all the manual business systems available but it's perhaps becoming clearer that there are many on the market which accountants aren't taking advantage of.

To sum up, the emphasis must be on using the best of manual systems and the best of computers. The approach should be for companies to look closely at their own particular problems and try to strike the right balance between the two.

INTERNATIONAL BUSINESS SHOW

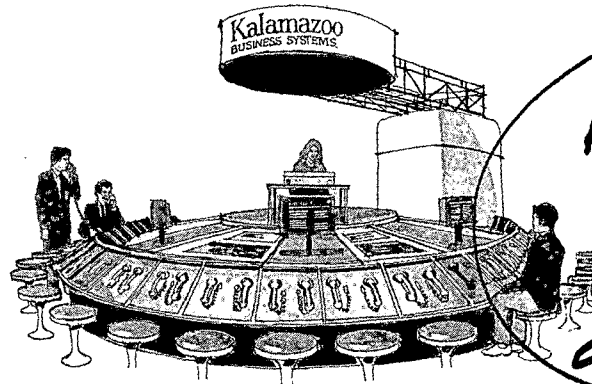
Date **23rd Oct - 1st Nov**

Exhibition check list

Exhibitor **Kalamazoo
BUSINESS SYSTEMS**

Stand **194 & 201**

Overhead modular steel gantry (3 metres dia.) (WHAT?!!)	✓
Revolving turntable - live demonstration of Kalamazoo K2000	✓
Coffee machine - don't forget the coffee this time!	✓
Effects lighting, low comfy stools	✓
Personal commentary ... TV monitors, handset receivers, speakers, etc.	✓
Carpeting - KALAMAZOO BLUE?!!	✓
Colour prints/graphics - Kalamazoo accounting & recording systems	✓
Spare K2000 set up, so everyone can have a go!	✓



N.B.
**Kalamazoo
K2000
small business
computer -
a great little worker.**

An unusual stand to take on micro-computers.

When you're at IBS, make a special note to visit stands 194 and 201.

And take a careful look at the Kalamazoo K2000 small business computer.

It's unusual because of its pedigree.

Seventy years' rock-solid experience of business systems. As well as 12 years operating what's now one of Europe's largest computer bureaux.

Even more unusual, the K2000 comes to you backed by something very special—the Kalamazoo service.

Programs, stationery, maintenance contract,

thorough training for you and your staff, specialised support—everything.

You'll have gathered by now that the Kalamazoo stand itself is pretty unusual, too.

But on that one, you'll just have to wait and see.

**Kalamazoo
BUSINESS SYSTEMS**

SEE US AT IBS-STANDS 194 & 201

How a One-man Practice Uses Microcomputing

by IAN SKINNER,
Chairman, Computer Ancillaries Limited

Gary Lee, ACA, set up his one-man practice two years ago after spells in the tax department at Robson Rhodes, and at Coopers Lybrand. He chose East London because he knew it to be a traditional area for small businesses, yet one which his experience had shown to be lacking a sufficient complement of professional financial services.

He decided to look into the possibilities of microprocessing about a year ago when pressures from an expanding client list raised problems of profitability for his own practice through the costs involved in extra staff of the right calibre to cope. He realised, too, that extra staff would probably not handle the work more efficiently than himself, and therefore no benefits in terms of quicker output could be won to justify their cost.

Also, the sheer volume of work for his small business clients simply would never be processed quickly enough by extra staff for any intermediate analyses to be ready in time for them to be useful. So one of his main aims – a service that went beyond preparation of figures for the revenue into the realms of a quick and comprehensive accounting and statistical operation – was out of reach.

Bureaux services

The only possible way out seemed to lie in some form of computerisation. His first step was to consider the capabilities of bureaux services. However, his evaluation of bureaux capabilities in line with his own practice left him reluctant to pursue this project for several reasons.

First, bureaux access arrangements tended to impede his required speed of processing, specially towards finalisation of accounts. Second, for his limited company clients, bureaux systems did not seem to offer complete control over programs to the extent he felt necessary. Third, the quality of software could, he felt, sometimes be a problem, particularly where automatic balancing is needed at all times. (For example, a difference occurring in a bank balance

input would generally be posted by a bureau to a difference account, rather than being reported at once to him for attention as would be the case on a machine of his own).

However, possibly the most important factor of all to a one-man practice, he felt that he might not be able to control further costs in any bureau service once he had become involved. The only practical alternative seemed to be a microcomputing system of his own, but until the latest range of low-cost microchip-based table-top computers arrived on the scene, this solution was well beyond the scope of a sole practitioner.

The system he finally selected was a complete accounting package including a table-top microcomputer with visual display, diskette data files and a fast printer. The inclusion of a VAT accounting procedure as well as incomplete records in the package made him decide it was the most likely to be economically viable for a one-man practice.

The machine is located in Gary Lee's own office, where both he and his secretary make constant use of it personally as it is very simple to work. All accounting data which Gary Lee receives from clients is entered through the machine's keyboard into appropriate ledgers retained on the diskettes for each client. Sales ledger, bought ledger, and payroll data is all integrated by the MAEL system into its incomplete records procedure, and the printer used to produce the monthly accounts report for clients to assess their progress.

The speed of the machine's output and the quality of its incomplete records

function has markedly improved the quality and speed of processing the work, and reduced the work in progress. Clients now benefit from more accurate and earlier debtor information on which to take action, and client annual accounts can be printed and delivered very much faster than before.

The microcomputer's incomplete records procedure has been unexpectedly helpful to both Gary Lee and his clients, because each entry into the machine has to be a response to a set of questions set by the machine, which acts as a checklist discipline to both. For example, the machine requires all cash book entries which it incorporates into the totals used in its incomplete record procedure. Any queries that arise when totals are assessed can easily be checked through recall of any or all entries to the visual display. There is no time-consuming bother thumbing through ledgers, and clients can see what is going on as quickly and easily as Gary Lee himself.

As clients are often in the office while he is dealing with their business on the machine, this has proved a very great benefit. Much correspondence and debate is avoided, and it often leads to clients increasing the extent of their involvement with the service as well.

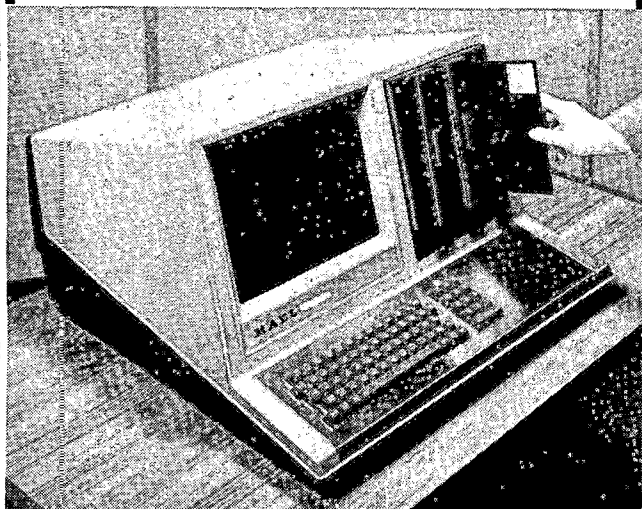
A good deal of new VAT business has come in this way as clients soon see how the machine can be used to do VAT for them as a logical by-product of its activities.

With VAT, the system's capability to carry forward prepayments and accruals from one year to the next for all appropriate accounts has been a considerable asset to both the accountant and his clients, and another incentive to clients' interest in handing over their VAT work to him.

Work disciplines

The work disciplines encouraged by the machine ensure more effective management statistics for small clients than were possible before, while the speed of output gives them the same sort of basis for effective immediate response in detail, that previously only large companies, with their own computers, could achieve. For example, one client was able to assess the extent to which credit on small sales was damaging his cash flow through Gary Lee's 24-hour turnaround in providing monthly figures on his sales ledger. As a result, he was able to impose a limit below which sales must be for cash only, and this alone has more than

INCOMPLETE RECORDS MICRO PACKAGE FOR SMALLER FIRMS



MAEL 2000 micro

Proved profitable for the smaller practice, this MAEL 2000 tabletop microcomputing package:—

- * takes care of your VAT and time ledger.
- * gives the benefit of ample data memory through diskettes.
- * has VDU, powerful processor and printer.
- * can easily be moved around the office.
- * can go on client calls. (It works off a 13 amp plug).
- * costs around £9,500 for the package including the micro.
- * is easy to understand and apply at all office staff levels.

Contact:



Computer Ancillaries Limited

64, High Street, Egham, Surrey.
Telephone: Egham 36455
Telex: 934598

VERBATIM MAGNETIC MEDIA



THE BEST THAT MONEY CAN BUY.

VERBATIM — the world's finest and best known range of magnetic data storage products — includes Floppy Discs, Mini-Floppies, Cassettes, Mini-Cassettes, cartridges and cards. All are 100% tested during manufacture, all are certified error free. We stock all types, including all varieties of the popular 5 1/4-inch floppy discs.

If you are a dealer:

Start stocking VERBATIM products — your customers will appreciate a better quality product at better prices. Call BFI Electronics for a comprehensive catalogue, dealer price list, and details of display material and retail packaging.

If you are a user:

Your system is only as good as its data storage — so don't be content with inferior products. Insist on VERBATIM by name, as indeed do some of the biggest names in the computer business!



BFI Electronics Limited
516 Walton Road,
West Molesey,
Surrey KT8 0QF
Tel: 01-941 4066
Telex: 261395

recovered for him the cost of the service.

Assessments on the potential of each client's developing position during the year for stock relief, pension payments and so on are now very much more effective than was possible before the machine came in.

Auditing has been simplified by the system, which has helped to resolve the ethical difficulties sometimes present in providing both an accounting and auditing service. With the machine as the central repository of all data as well as an independent calculator, the two tasks of accounting and auditing can be properly tackled as quite separate functions.

Gary Lee has been able to extend his client base comfortably since his system arrived, while increasing the degree of service for all his existing clients as he had always intended. Because the incomplete record package is able to accommodate a good deal more work than he at present needs from it, he feels the problems which made him wonder what profitable future there could be for a one-man business are well and truly behind him.

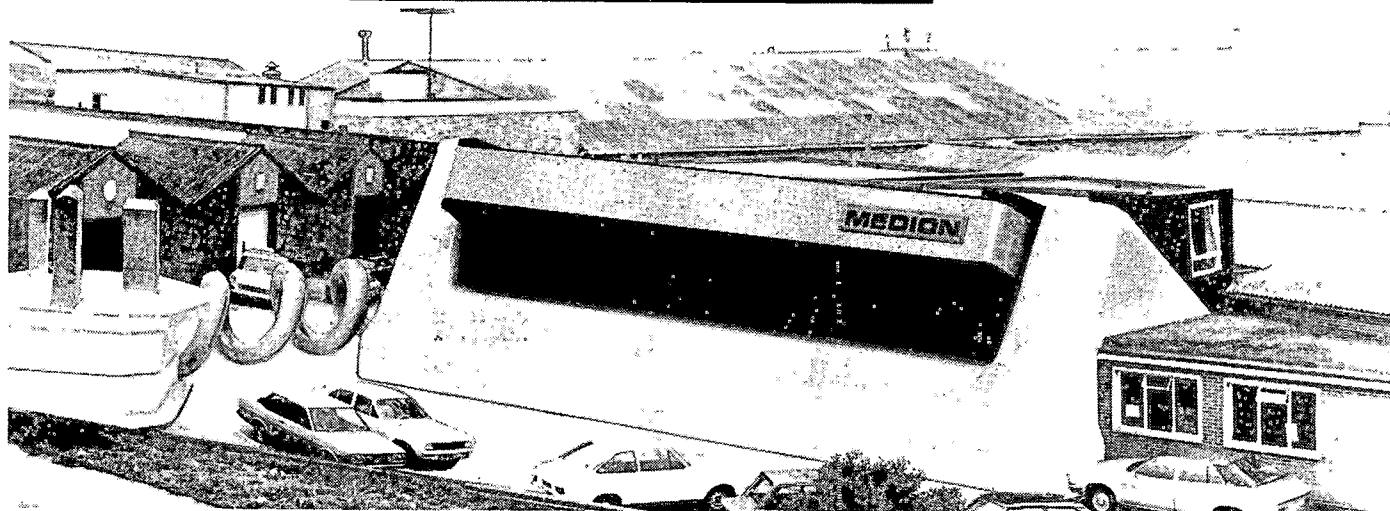


Gary Lee in the office of his one-man accountancy practice in London's East End with his MAEL microcomputer and its memory diskettes.

**The shape of the
high efficiency
environment with**

- ★ Reduced absenteeism and staff turnover
- ★ Reduced headaches and tension
- ★ Improved health and comfort
- ★ Improved concentration and performance

**INCREASED
PRODUCTIVITY**



Never before has one single environmental factor made such an impact on total staff efficiency and company productivity, all facts validated by Medion/University Research. Learn how and why from the Management Advisory Service of Medion—acknowledged World leaders in the field of Clinical and Environmental Air Ionization. Unit applications from Desk Top (miniature unit illustrated) to major work spaces. *Send now for explanatory booklet to:*

MEDION Ltd.  Management Advisory Service, (Dept.) 4 Beadles Lane, Old Oxted, Surrey. Tel: Oxted (08833) 2641 (3 lines)

Please send your Management booklet "Environmental Air Ionization"

NAME

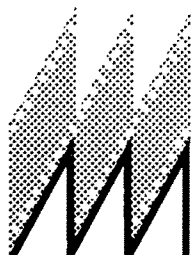
COMPANY

ADDRESS

DUALITY

**A combination of
In-House Micro-Computer
and Computer Bureau
Processing provides
The Best of Both Worlds**

General Accounting Systems
for the Smaller Business



Mills Associates Ltd.

Head Office:
Wonastow Road, Monmouth Gwent NP5 1YE

Computer Centres at Birmingham, Bristol, Cardiff, Chertsey, Edinburgh, Ilford, Manchester,
Newcastle, Nottingham, Swansea

For more information
Contact Lynda Wood
at Monmouth (0600) 4611

Word Processing

Fact or Fiction?

by WILLIAM H. COTTLE, Managing Director, Dictaphone

Whenever a new term is bandied about by office equipment salesmen, management reacts in one of two ways – people jump over each other to find out what it's all about (typically American) or they regard it with the deepest suspicion until other people try it out (undeniably British).

Hopefully in this article we will provoke a response somewhere between these two extremes in respect of the latest management 'science', Word Processing.

First let us dispel a myth. Word processing is not new. We have had it with us ever since we first employed scribes (later called shorthand typists). Only the technology of coping with it has changed. Word processing is the term which has come to mean the study of all aspects of office work which result in something being typed from the spoken word – and that's everything which is not specifically accounts, calculations or the works order preparation system. It eats up an average of 35 per cent of total office costs – so no accountant can afford to ignore the possibility of making improvements.

Different permutations

Combined dictation and automatic typing methods can be of benefit in areas where either the same item is typed again and again, similar items are composed from more or less standard paragraphs used in different permutations, or where long reports are changed by their authors through several draft stages. Typical instances are sales letters – all potential customers need much the same information but for whom pre-printed letters are impersonal.

Other applications include payment request letters, shareholder correspondence, purchase orders and follow-ups, staff letters about pensions and the like.

The next point to consider is how one discovers whether or not word processing techniques can improve your company's management.

The preparatory work is vital before

one decides (a) on whether one needs dictation machines, a centralised system or one of the new computerised dictation systems, and/or (b) a simple repeat typewriter or a video screen integrated system where several typists work from one memory.

In our systems approach we suggest a study along the following lines:

'Inevitably, the raw material is to have every typist take extra carbon copies of everything she types. Be it a letter, report, financial schedule or whatever, the copies need to have one or two bits of information added to them: Method of origin – whether dictated by machine, shorthand or handwritten; Whether original or updated from an earlier document; Whether slavishly typed from the original or composed from notes taken by the typist herself; Repeat typings due to typing errors; Department or person who originated the work if not obvious from the work itself.

Period of analysis

'This period of analysis covers at least two weeks. The most relevant analyses of this information are: Analysis by type of origination – dictated, handwritten etc. An analysis from this of possible future origination – ie, dictating items which can save time, using handwritten originals direct to typists instead of dictating from them and so on.

'Find out also which executives and clerks have their work done by particular typists and ask why. Go on to ask why certain originators of work favour particular methods – dictation by

machine, shorthand typist etc, and treat the replies with a common sense pinch of salt. Find out also if individual typists seem to always get the same types of work, and why.

'In parallel with this study one should find out something of the typists' attendance patterns – preferably over a concurrent period to correlate figures.

'Over a different period, however, get typists to keep their own logs of work done, type, origin etc. This would be confirmation if the need were found to go ahead with a word processing system.'

Dictaphone's manual also points out the importance of the documents themselves. Only by examining their content will the analyst be able to spot those areas where content is similar or, more important, could be made similar with clever composition. These are the first candidates for word processing machinery. It goes without saying that one should also question the need for typing the material at all.

Going on to investigate such things as average typing turnaround time, maximum output per typist, incidence of re-typing operations and many other aspects will provide detailed specifications – but we are concerned here with introducing the subject, not with all its detail.

Birds eye view

Let us then go to a birds eye view of the types of equipment available on the market today in the dictation side of the question.

We will not describe desk or pocket dictation machines here other than to say that such machines should be available from the supplier which use a recording medium compatible with whatever main dictation system you employ. This is for people working at home, in the car and so on.

The 'traditional' centralised dictation method is for the clerk or executive to dictate into a telephone terminal on his desk, recording onto one of a bank of machines in the typing centre. That telephone could be the PABX or a specially wired setup. In the former case, however, a lot of people may be engaged to incoming calls every time they dictate a letter.

This type of centralised dictation system can be less expensive than supplying everyone with their own machines and dictation gets to the typists without the messenger service

being involved. Our own Telecord equipment operates in this way.

However an improvement on that is the direct link method. The person dictating still uses a telephone terminal but is recording onto the same machine as that from which the typist is transcribing. She can type from the dictation while it is still being recorded if things get urgent.

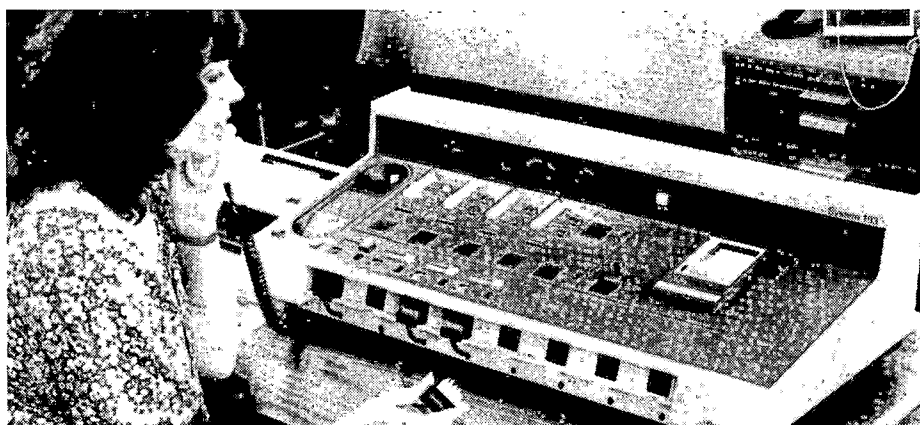
The system, using a tiny analogue computer, examines typists' backlog of work and typing speeds, and decides into which machine to route each called to get his work completed quickest. This same control unit produces metered and graphical data on work input and output, typing rates, peak workloads and so on to give the supervisor every chance to get the very best from the department.

Management control

Proper management control and recording of work throughput in word processing or typing centres means a heavy clerical burden on supervisors. Their time should be spent on the management of the service provided. A new micro-computer system from the Dictaphone Company does all this work and more for supervisors with 293 Thought Centre or 193 Thought Tank central dictation systems.

Time Master is a microprocessor based system with a compact supervisor's terminal including an eight position alphanumeric LED display, compact keyboard and a report printer.

As each author completes dictation Time Master prints out the author's identity and type of work (keyed by the author before dictating) the recorder onto which the work was dictated and either the place on the tape in direct link systems, or the cassette number (from bar codes on the cassettes) and location



The supervisor's console of the Dictaphone Thought Tank 193 centralised dictation systems.

on that cassette. All this is rounded off with the time at which the dictation was made.

The picture for the word processing centre as a whole is revealed in summaries printed by the computer on demand. These summaries show details of the number of jobs going through,

how many of them have priority rating, how much dictation and how many authors that represents and so on. This is data a supervisor needs to make staff management decisions and which the accountant needs to accurately apportion the cost of the typing operation between cost centres.

WORD PROCESSING METHODS COMPARED

Method	Throughput per day	Labour cost per line typed	Equipment cost per line typed	Total cost per line
	Lines	p	p	p
Shorthand plus typing	250	6	0.106	6.106
Centralised dictation plus typing	600	3	0.19	3.19
Shorthand plus automatic correction typing	400	5	0.45	5.45
Centralised dictation plus automatic correction typing	700	2.60	0.38	2.98
Centralised dictation plus largely standard texts	up to 1,500	1.2	0.57	1.57

Note: the cost of employing a secretary is assumed to be £4,500 a year, including overheads and fringe benefits. Average costs per work station have been used to calculate the equipment cost for both centralised dictation and text editing. The actual cost can vary widely, particularly where text editing is concerned.

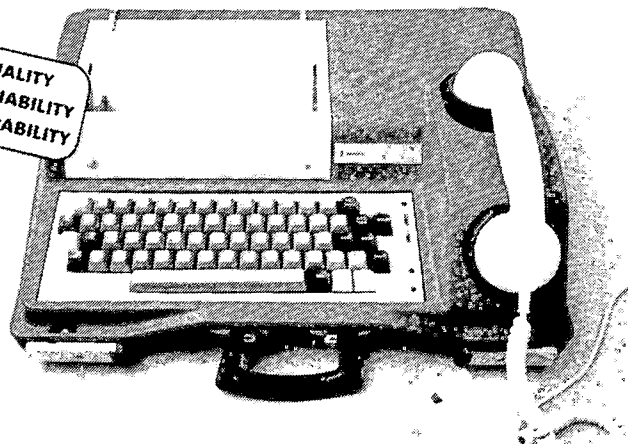
MODEL 305 PORTABLE TERMINAL

When you take a Transdata Terminal with you, you know you can rely on it. The Model 305 portable terminal has its own acoustic coupler carefully designed to ensure transmission performance. Its advanced thermal printing technique is quiet, reliable and produces good quality print even with APL symbols. Above all it is durable, designed to withstand the knocks of business life.



TRANSDATA KNOW ABOUT TERMINALS

Contact Mike Hamson, International Sales & Service
11 Garrick Street, London WC2E 9AR Telephone: 01-240 2713



Electronic Exchanges

What Do You Get For Your Money?

by C. J. EGGINTON, Reliance Systems

The use of digital computer technology in telecommunications has mushroomed only in the last year or so. With it however, has come the problem of explaining to the non-technical accountant just what the advantages of electronics are and how they can improve the quality and efficiency of business administration. A short article cannot hope to do this in full, but may at least demonstrate some of the possibilities.

Basically electronic exchanges use electronics as a route finding method instead of electro-mechanical switches. As in all electronic systems, however, the equipment can now be controlled by further systems built in to interface with the electronic switching itself. In other words one has not only faster, more reliable switching, but one can use the telephone to connect with other systems provided their electronics can be interfaced with those of the telephone – and in nearly all cases they can.

In practice

The telephones themselves allow immediate access to a wide range of features. Within the instruments are facilities for calling people using a single key instead of looking up the full number, a light denoting that a call is waiting to be connected while you are speaking, several different ways of holding and transferring calls – and of getting them back again – and so on.

Some extensions can be denied certain facilities too – for instance factory telephones may be blocked from outside lines, or be blocked from them for all but local calls. Not all extensions will need the priority facility whereby a user can interrupt an existing engaged telephone in order to speak to the person there. Those who do need to contact people in a hurry, though, will find this priority invaluable.

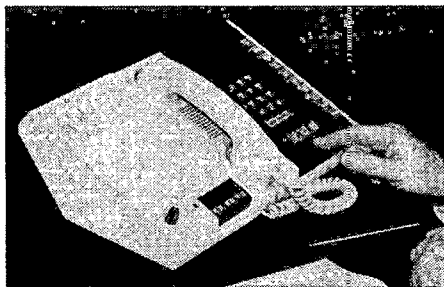
A little less urgent, but equally useful for people with no time to keep operating telephones is the automatic re-call

feature which connects a waiting caller as soon as an engaged line is freed – and calls the caller to tell him he is through.

In addition to features like these, electronics means that interfaces for centralised dictation systems, answering machines, radio paging, public address can all be built in, and as many or as few extensions as you require can be given access to them.

This brings in our next point – that whatever facilities you have on the system can be allocated to particular telephone extensions by a simple keyboard entry of instructions to the computer at the heart of the system.

In practice this means that an extension user can have certain facilities taken away if he abuses them, or have facilities added if they are found after some experience to be necessary. For example, a clerk's work content may change as the organisation develops and he or she may need access to the centralised dictation system, or need a single-key call facility to important colleagues. It may be that



The multi-purpose telephone instrument of the SL-1 computerised PAX exchange.

certain people need priority facilities at certain times of the year – for example senior accounts staff at the year-end. They can be given those priorities for a temporary period and have them removed again afterwards so as not to cause unnecessary disruption of normal communications.

This keyboard can, of course, be anywhere in the organisation, not necessarily at the exchange. It follows, then, that careful control can be placed on who has access to it.

By the same method, most electronic exchanges provide statistical information in printouts of operational data. Management can see the call traffic pattern and analyse it to allocate costs and decide on modifications to the system in order to improve efficiency still further – or to make economies in areas which, without this automatic monitoring, would have gone unnoticed. To keep a regular analysis of communications traffic by manual means – usually left to the operators – is expensive and is invariably neglected for this reason.

Other items printed out by the systems include fault diagnoses, although in many cases faults in software are self-correcting.

Flexibility

Far from being a piece of static hardware which has to be ordered in a size capable of fulfilling future expansion needs – and which never does in the event – an electronic telecommunications system is as flexible as a computer. Facilities on board can be permed among extension users to the very best effect, week by week if need be and extra facilities can be added often without further hardware being necessary. Extra extension or exchange lines, too, are easier to add since the electronics expands in modular fashion and the engineering involved is very simple.

In fact one of the virtues of electronic exchanges is that with faster connection of internal calls and faster access to outside lines, exchange lines are used more economically. The more flexible hunting on electronic exchanges helps in this too since more lines are available to any given extension user than on conventional equipment. It means one can equip more for average communications traffic rather than the highest possible peak loading. The result should be a need for fewer exchange lines and fewer extension connections internally – in short a smaller system doing the job of a larger one.

PROBLEM

- (A) You are an average sized practice thinking of doing your work on a computer.
- (B) You will have between 250 and 1,000 cases which you think are suitable for computerisation.
- (C) You initially would not like to incur an expenditure of over £15,000.

ONE SOLUTION

You buy a system developed as a commercial project. This can mean that the hardware, ie the computer itself, is only a proportion of the total cost.

ANOTHER SOLUTION

You put all your money into hardware and, as in almost everything else, you get what you pay for. You develop your own software which some people find easy and some people don't.

A VARIATION ON THE ABOVE

You buy through me one of the Wang 2200 VP series of computers. The one I recommend for a beginning would cost you £13,500. In addition I will give you a suite of programs which are now running in a number of accountants' practices and which I developed for use in my own practice. I do not wish to charge accountants for these. The commission I receive from the purchase will cover my cost of training your staff etc.

My offer means that you get what I consider to be the best computer for this use on the market at its list price. In addition you get for nothing a suite of programs which I would not be giving if I didn't think that they were the best on the market.

But come and see for yourself

contact:

Alex Harrison
11 Kingsway House, Bedworth, Warwickshire
Telephone 0203 314369 or 312732

Speeding Up the Mail

by SHEILA HART

Hold-ups in the mailing room can be costly both in terms of money and a company's reputation. Mercifully, however, relief is at hand. Steady improvements in print room, duplicating and mail room equipment are streamlining operations which were previously inefficient and labour-intensive. Automatic devices are now available to speed up the processes of copying, collating and preparing paperwork for the mail. These range from the humble folding and packing machine to the microprocessor-based duplicator. The problem now is keeping up to date with the available options.

Delays in despatch often start where a mailing requires large quantities of copies of a circular or report to be sent out simultaneously. For the heavy user, a wide range of small offset presses is available, marketed by companies such as Rotaprint, Roneo, Vickers and Ricas, suitable for internal print rooms. Where speed is of the essence, however, even those with a heavy enough load to warrant the installation of a small offset machine might look instead to the more sophisticated end of the plain paper copier market.

Comparable quality

Plain paper copiers have come a long way in the last few years. Copy quality from machines such as the Xerox 9400 at the top end of the available range is comparable with the standard obtained from offset printing. The plain paper copier has several advantages over the offset machine both in terms of speed and versatility. Copies can be taken directly from typed originals, with no delay, for plate making. Last-minute corrections can simply be pasted on, as machines like the Xerox 9400 have push-button controls for erasing unwanted lines. Copies emerge dry from the duplicator and can be automatically sorted into sets, whereas the drying and collating processes are separate, time-consuming and often labour-intensive when printing methods are used.

Even companies where the paperwork load does not warrant the installation of one of the heavyweight duplicators can now find a range of medium-volume

copiers with built-in sorters. Some of the new medium-volume copiers on show at this year's IBS also incorporate sophisticated features such as reduction and copy density correction.

Baffling variety

For companies where the requirement is speedy production of a relatively low volume of paperwork there is a baffling variety of different copiers on the market, and this year's IBS will see the introduction of several more. We all have less than fond memories of small copiers we have learned to hate, but this new breed is designed to put an end to those frustrating warm-up delays, breakdowns and paper jams. Most warm up in seconds, many have dispensed with the time-wasting moving platen and some have reduction facilities.

Choice is a question of balancing advantages against disadvantages. For example, the new low-volume copier launched earlier this year by Canon is comparatively slow, but it can be interrupted in the middle of a long run if an urgent one-off copy has to be made, and will automatically restart where it left off. The new Xerox 2300, launched at the IBS, is not the cheapest machine on the market, but it provides higher-quality copies on a wide variety of different materials, including overhead transparencies.

Service, too, is an important factor and, for this reason, it is best to go for the established names.

Once copies have been made, folding and packaging mail causes hold-ups for

many companies. In this area of operations also there have been considerable advances in automation. Pitney Bowes launched a useful range of machinery at the recent Mailing Efficiency Exhibition which is designed to make the whole process automatic.

The range includes a table-top collator, which needs only one operator to collate and bind hundreds of sets per hour, and a collection of folding, inserting and mailing machinery designed to cope with a variety of different requirements.

For insertions involving enclosures, or a number of pages, the Kern 700 machine will fold, collate, insert, seal and sort in one continuous operation as well as automatically checking to ensure that all enclosures are present and correct. Envelopes can be processed in this way at a rate of 1,200 an hour.

Where bulk mail has to be packaged the Dickinson Robinson Group supply the Beasley French Semi-automatic inserting and sealing machine which will package and seal items like magazines, brochures and company reports.

For A3-size insertions and computer print-outs Roneo Vickers and Bell and Howell both make a range of electronic high-speed folding/inserting systems which require only minimal help from the operator.

Sorting and addressing

The GPO offers special bulk rates to companies who regularly sort their own mail. A range of hardware is available for this, and machines like the Caristar packaging machine, available from Schedules Mailings Ltd, will automatically bundle and seal all kinds of sorted packages ready for the mail sacks.

Addressing is possibly the biggest single cause of mail room congestion. A recent West German study showed that 80 per cent of their mass mailing is addressed by computer. Computerised addressing systems are still a fairly recent innovation in this country. Though a wide range of systems is now available, the small company still tends to rely on the less expensive paper-plate addressing and labelling processes, where masters can be produced on the typewriter. These systems are now capable of some sophistication. Addressograph Multigraph introduced a new range at the end of last year and Elliott's 6722 machine deals with three

STAR OPTIONS

FOR ACCOUNTANTS

STAR AUDITOR
£15,995 WITH SOFTWARE
— MULTI-SCREEN, HARD DISK



DATA GENERAL
FROM £20,000 — OVER
70,000 SYSTEMS WORLDWIDE



STAR MAEL 2000
MICRO — FROM £10,000
WITH SOFTWARE PACKAGES



BUREAU SERVICE
— NO JOINING FEES
OR MINIMUM CHARGES



Over 120 Practices Use Our Systems

Time Ledger * Fees Ledger * Accounts Production From
Incomplete Records * Word Processing * Payroll *
Book — Keeping Services For Clients — Large and Small *



Star Computer Group,
Threeways House,
40/44 Clipstone Street
London W1P 7EA
Telephone 01 - 637 9741/2
Telex 263904

Please send me details on: AUDITOR ☐
DATA GENERAL ☐ MAEL 2000 ☐ BUREAU ☐
FREE QUARTERLY ACCOUNTS NEWS LETTER ☐

Name:

Firm:

Address:

Tel No:

LONDON

BIRMINGHAM

LIVERPOOL

sizes of stationery, can repeat and skip addresses from a set and has an optional device for printing labels or forms.

Computerised mailing systems are designed to print between 2,000 and 32,000 addresses an hour. Addresses are stored on discs or plastic cards and the computer is programmed to produce the required selection by means of a microprocessor-based keyboard-operated registering system. The inevitable changes can be reprogrammed a line at a time. Print-outs are on continuous paper which is subsequently cut into individual labels and glued on to the mailing material. Resulting savings in operation time are considerable. FBM, for example, market a range of computerised addresses and labellers for the medium-volume user which require little operator attention and process between 3,000 and 12,000 items an hour.

For the less sophisticated, machines like the Neopost and the Scriptomatic work on photo-electronic selection from plastic cards. They are particularly suitable for companies with large, continually changing mailing lists.

Postal franking, the next step in the mailing process, is making slow progress towards a streamlined approach. Roneo Vickers' middle-range 405/505 machines are ideal for the medium-volume user who suffers from last-minute postal build-ups around collection times. They have also recently launched a machine which can cope with franking a mixed bag of standard and airmail letters and parcels.

Pitney Bowes have a range of franking and mailing machines called the 'R Series' which will frank, postmark, seal and count up to 166 envelopes a minute and which have an integral automatic tape device for dry and wet labelling of parcels and packets. These machines use removable postal meters which must be refilled at the post office, but value cards are now available with some franking equipment as an alternative to the meter system.

The speedy progress of incoming mail to its destination is just as important to smooth company administration as efficient outgoing mail systems. Machinery is available to code and sort

mail into categories; for example, the Mailing and Mechanisation Ltd Docutronic machine sorts up to 30,000 envelopes an hour from mixed mail by length and classification of contents using a magnetic coding system. It will also open mail, extract contents and transport them individually to a checking clerk. This facility is particularly useful for companies which receive large quantities of enclosures in their mail, cheques or cash with orders, for example.

A sign of the times is the development of special explosives-detecting equipment for use on incoming mail. For example, mailing consultants Scheduled Mailings Ltd and Envopack both offer detectors which can be operated by unskilled non-technical personnel.

All in all, the print room and mail room have come a long way in the last few years, and judging by the display of equipment at this year's IBS, further technological advance will continue to cut down the tedium and speed up the process of producing and getting mail where it should be.

Universal **STATIONERS**

*Still
a personal
service*

Free Ask your local manager for an entry form for the
Enterprise sailing dinghy and drop it in the drum
on our stand at the International Business Show



Local supplies, nationally

BIRMINGHAM
021-643 3621 & 021-236 5385
MANCHESTER
061-834 8702 & 061-236 7342
PORTSMOUTH
COSHAM (070 18) 81141

LONDON (NORTH)
01-205 8101
LONDON (SOUTH)
01-540 9041
SOUTHALL
01-574 7264

BARNET
01-449 1106
MAIDENHEAD
0628 21285
SLOUGH
0753 28471

BOURNEMOUTH
0202 511611
NOTTINGHAM
0602 43568
CROYDON
01-686 4600

MIDDLESBROUGH
0642 245275
WASHINGTON
0632 468400
SOUTHAMPTON
0703 34171

LEEDS
0532 642191
COVENTRY
0203 27454

An Office For The Eighties

by HARRY T. CHAMBERS

In the mind of the general public, accountants have the reputation of working in dusty musty Dickensian offices, next to solicitors who still 'write with a quill pen'. At most the public will concede that accountants have advanced to dipping a steel nib in their inkwells.

If the image does not quite fit every firm, so much the better; but it must be admitted that many accountants, offices do leave something to be desired.

This reputation for Dickensian working conditions does not do the profession much good.

Far be it to suggest that professional practices should go to the other extreme and instal gleaming white furniture on acres of purple carpet 'tastefully' contrasted with filing cabinets in sky blue and flamingo pink. You may laugh but this is no exaggeration on a scheme suggested to me by an office environmental designer with more enthusiasm than common sense. However, accountants, like everyone else, can work more efficiently in a well planned office environment.

Well designed office furniture does not have to be too expensive. Around £200 to £250 will buy an 'executive' desk with two pedestals about 6 ft wide and 2 ft 9 in deep, which is quite large enough for a partner's desk. Anything larger and you will not be able to reach the outer edges from a sitting position. In this price range can be obtained a desk with an inconspicuous square tubular frame finished in teak or mahogany which is both practical and presentable. The equivalent clerical desk costs under £150 and an L-shaped secretarial unit around £200.

Efficiency without ostentation

Furniture for a practical partner's office, which would give the right impression of efficiency without ostentation, could cost around £1,000, though you could spend ten times as much. It is rather more difficult to estimate how much is necessary to spend per employee for the general office. While each employee obviously needs a desk and chair, what else they need depends on their work.

Most modern desking is modular in the sense that you can have two or three

drawer pedestals in any combination left or right handed while some systems are or can, optionally be equipped with shallow two drawer pedestals.

Filing

While employees want somewhere to keep their personal effects and should be encouraged to put their work away before they go home at night the provision of too much personal filing all too often leads to them hanging on to files long after they have finished with them. This in turn can lead to files being 'lost'.

Since documentation is the basis of any accountant's office, filing should be considered as part of the overall furnishing. Accountants run neck and neck with solicitors in the amount of documentation they have to keep per client, so an efficient filing system is essential. Whatever your individual filing unit is a manilla folder or a box file or as in most accountancy offices a mixture of the two, you will find that cupboard filing is in the long run more economical than drawer filing cabinets. For one thing it saves at least one third on floor space and cupboards can be fitted with internal fittings to take different types of filing in any required proportion. You can, for instance, have one or two rows of suspension filing and two or three shelves in the same cupboards. Then if you decide to instal an office computer system you can add storage for the floppy discs, stationery and other supplies. In short it gives you the flexibility to store and file what you need adjacent to where it is to be used.

One small point, filing cupboards should be lockable if only to convince

your clients that unauthorised people cannot pry into their affairs. This is more psychological than anything else but the kind of businessman who seems to think everyone is desperate to take a peek at his books is not rare.

Staff comfort

Admittedly I have never come across anyone who can prove statistically that a comfortable well furnished office improves staff turnover, but everyone who has modernised their offices is quick to reassure me that since doing so staff turnover, particularly in secretarial and clerical grades, has fallen dramatically.

With the cost of finding a new secretary or clerical worker variously given at between £200 and £400 without the cost of the resultant disruption, providing good working conditions could pay for itself from this point of view alone.

Everyone who works in an office deserves a comfortable chair. After all, they are going to sit on it for an average of about 30 or more hours a week, which is longer than they will occupy any chair at home. The most practical chair for office use is a posture chair which adjusts for height and depth of seat to backrest and swivels. In this way it accommodates the many variations in the human frame comfortably. I am not convinced that arms are necessary for seniors any more than for clerical workers. The sort of high backed office chairs which do everything except play 'Land of Hope and Glory' when you sit on them are prestigious but, at up to £500 plus, quite a luxury. For seniors a well padded arm chair with lumbar support should prove adequate, anything more and you may be accused by your clients of going to sleep on the job, however unfair this accusation may be.

Seating

That said, it does not pay to stint on seating which gets hard and continuous wear. At current prices this means paying something like £35 to £50 for a secretarial chair, around the same price for clerical chairs and up to £150 for executive chairs for seniors. These prices are for chairs with five star bases, on legs they cost about 25 per cent less but are not posture chairs.

It is claimed by ergonomists that bad seating can reduce efficiency by up to 30 per cent and affect decision making, but to do this I am convinced it would have to be so bad that the person using the

seating would be constantly aware of strain.

Lighting

Eyestrain can also affect office workers' efficiency. The Illuminating Engineers Society recommend a standard illuminance for general and executive offices of 500 lux, and for typing pools and business machine areas of 750 lux. Lux is the amount of light measured in lumens falling on one square metre. However, to get lighting comfortable you also need to eliminate discomfort glare as much as possible. In offices this is mostly caused by light reflected from shiny surfaces, including some kinds of paper.

Random failure

This does not necessarily mean that the entire office has to be lighted to the recommended illuminance standard. Much can be done to keep running costs down by using local lighting at each work station supplemented by amenity illumination of about a quarter of that needed for individual tasks, the local lighting coming from the side to reduce glare. This is easier in a small office as one of the main drawbacks is random failure of lamps due to uneven use. General lighting is usually provided by using 1.8m 85W fluorescent tubes. For 500 lux the cost would probably be in the order of £8.00 per sq m but I understand the cost varies considerably. In any case a lighting engineer should be consulted at an early stage as there is more to an efficient office lighting system than I have indicated. In all cases the aim of a successful lighting scheme is to provide adequate lighting at the work surface without causing discomfort glare.

Many accountants have their offices in older buildings, while others are in modern office blocks. Particularly in the latter it may be necessary to control natural daylight by fitting curtains or blinds to the windows, otherwise, in summer discomfort glare can come from sunlight.

Blinds and carpets

For light control either Venetian or vertical blinds are usually used. In the smaller office they can be manually controlled but for large offices there are systems whereby they can be power controlled, the mechanism being actuated by photo-electric cells. Installation of such

systems is a specialist job while suppliers will fit the manual kind, which can be bought from a number of sources. Other curtaining is used for its decorative effect much in the same way as it is used in the home. When used it should be chosen to tone in with the overall scheme.

Most office decorative schemes today are based on the brown-beige colour range, which is practical, reasonably warm looking and when complemented by wood surfaced furniture gives a warm environment. Since we need to use heating for an average eight months a year a colour scheme which suggests warmth is preferable to one which suggests coolness. The brown-beige range also tones in with the finish of much current office equipment, metal cupboards and filing equipment.

Office carpeting is quite a large subject in itself. Carpeting can cost from about £6.00 sq m to £18 sq m. Loose lay carpet

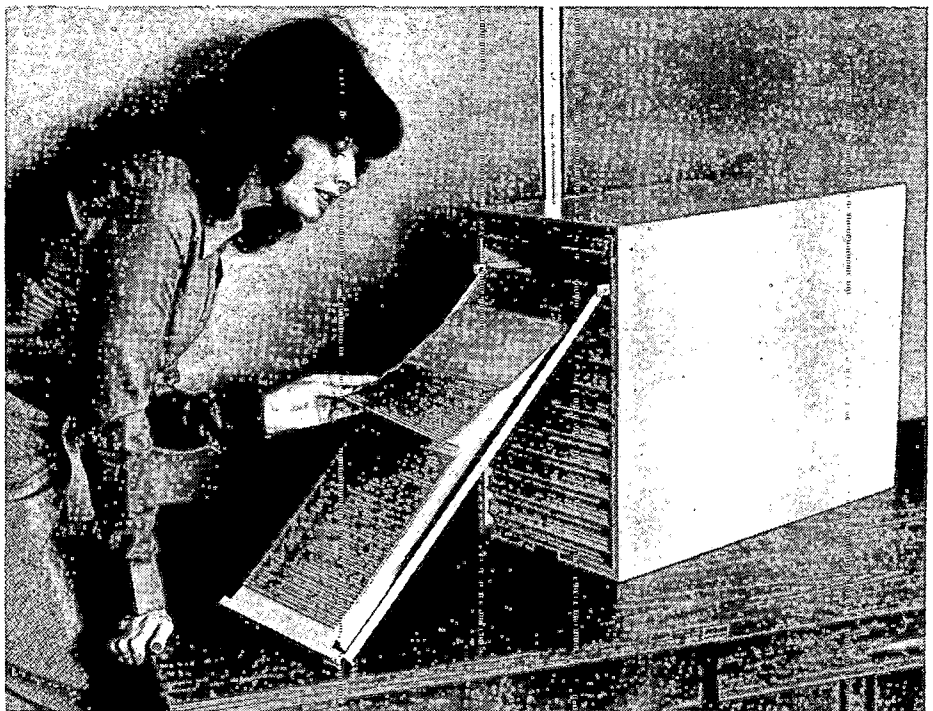
tiles have the advantage that individual tiles can be replaced easily if they become soiled or worn. Heavy contract grade carpet should be used in areas where the carpet gets the most wear. Medium contract can be used in other areas, for instance in the partners' offices. A heavy contract carpet is not necessarily more expensive than a medium contract one. For example you can find a nylon loop pile carpet in the heavy contract grade for under £6.00 sq m while an 80 per cent wool/20 per cent nylon prestige carpet in the medium contract grade will cost about double that. Incidentally heavy, medium and light contract simply indicates suitability for areas of heavy, medium and light wear, it has nothing to do with either the materials or method of construction. Most contract carpet is of the type known as tufted which is made in all grades from high price luxury to cheap domestic.

New Products at IBS

The following will all be introduced at the International Business Show, National Exhibition Centre, Birmingham October 22nd to November 1st inclusive. Since a stand by stand preview would be impossible in the space available I have selected those mentioned as indicative of the wide range of products on view.

Expandex Ltd (226). Here a new Datadex visible record cabinet to house 1,000, 8 by 5 in or 6 by 4 in will be shown.

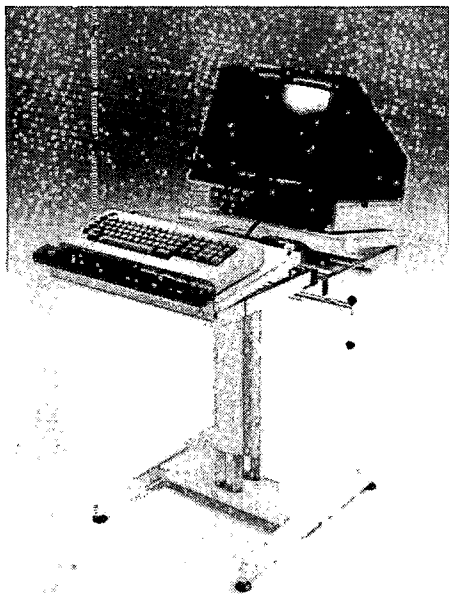
Flambo Fortschritt Ltd (126) will unveil several new ranges of seating and feature the Ergonomic range of colour laminate furniture.



Data dex visible record cabinets.

Abbott Bros (Southall) Ltd (61/74) will be showing a range of new Abbess Art metal flat and curved screens with a linking device which allows any screen edge to be connected to any other two. The screens are covered in the identical range of materials used for the seating ranges.

Bell & Howell will launch the ABR 200 a compact desk top camera with a



Utopia terminal table.

built in endorsing system enabling it to endorse, cancel or mark documents. The ABR 200 provides 40:1 reduction and 'duplex' photography and uses cartridge film.

Mines and West (380). Utopia VDU workstations will be featured here. These are fully adjustable with individual video and keyboard supports which adjust laterally, tangentially and for height. Also new is the Morgana 2000 range of middle management and executive furniture.

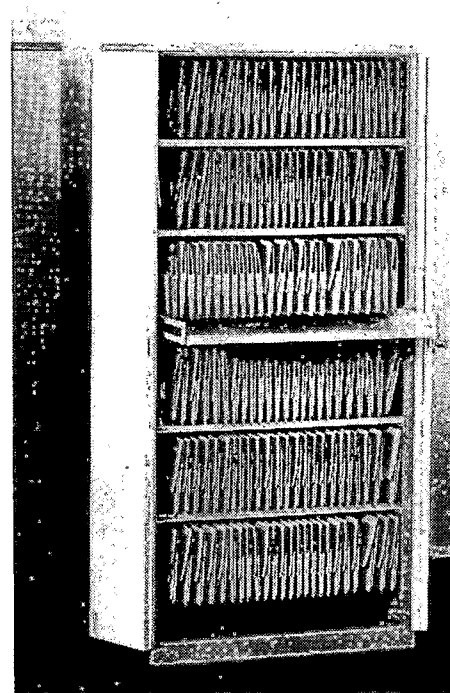
George Parnell & Co Ltd (222) are security equipment specialists, amongst their new products will be a security door for cash transfer, a bullet resistant cash transfer unit for wages offices and a demountable cashier unit.

R. C. Seal & Co Ltd will be showing examples of units recently introduced into their Sealing microfilm filing system as well as current examples of metal document filing units.

Solicitors Law Stationery Society Ltd (646/629) four new plain paper copiers will be shown by Oyez Business Machines Ltd. The Lumoprint Economy 30 is a 30 copies-per-minute dual-copy systems machine while the Lumoprint Economy 20 still offers dual copying

at a lower price. The Lumoprint Compact is a desk top cassette fed copier, while the Oyez Solid A3 is a reduction copier capable of reducing A3 originals to A4 copies.

Also shown on this stand, the Olivetti ET 221 memory typewriter.



Sealine storage cabinets.

An Accountants' Package that adds up nicely.

At Hourds Computing we've got a range of tried and tested systems and accounting packages to cover almost all requirements:— general, sales

and purchase ledgers, stock control, payroll:— and they're all fast, low-cost, and very, very effective.

All our systems are based on the proven DEC PDP 11 and Systime range of computers. In addition, our experienced staff can also undertake bespoke programming assignments to meet your specific requirements.

If you'd like to improve efficiency with a minimal capital outlay, and without the need for specialist staff, contact

Stan Strudwick on 0785 44221.

Hourds Computing Ltd.

7-8, Mill Street.

Stafford ST16 2AJ.

Tel: Stafford (0785) 44221.

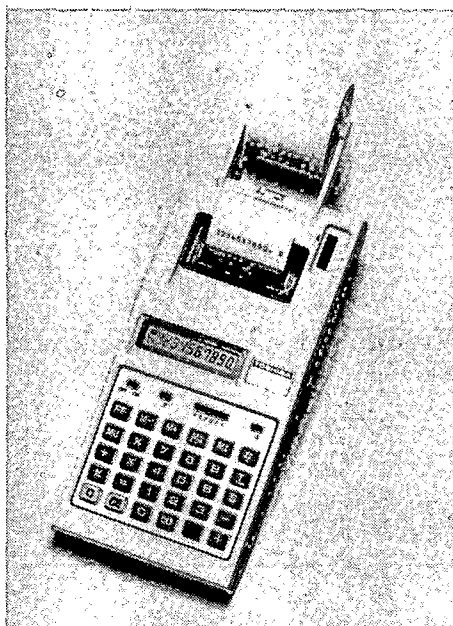
Hourds
Computing



Kienzle Data Systems Ltd. (579/447/469). On stand 579 Kienzle will demonstrate their new 9066 microprocessor based VDU mini computer system which is a modular system capable of supporting a number of work stations comprising a keyboard, VDU and optional printer. Real-time data base systems are available in a range of accounting and stock control packages which have been field tested. A figure of under £4,000 is given for an accounting suite plus stock, order and invoicing.

On stands 447/469 models 1900, 2000-3, 2200-2 and 2200-3 will be shown from the current range of visible record computers.

The Accountant itself uses a Kienzle 6000 visible record computer.

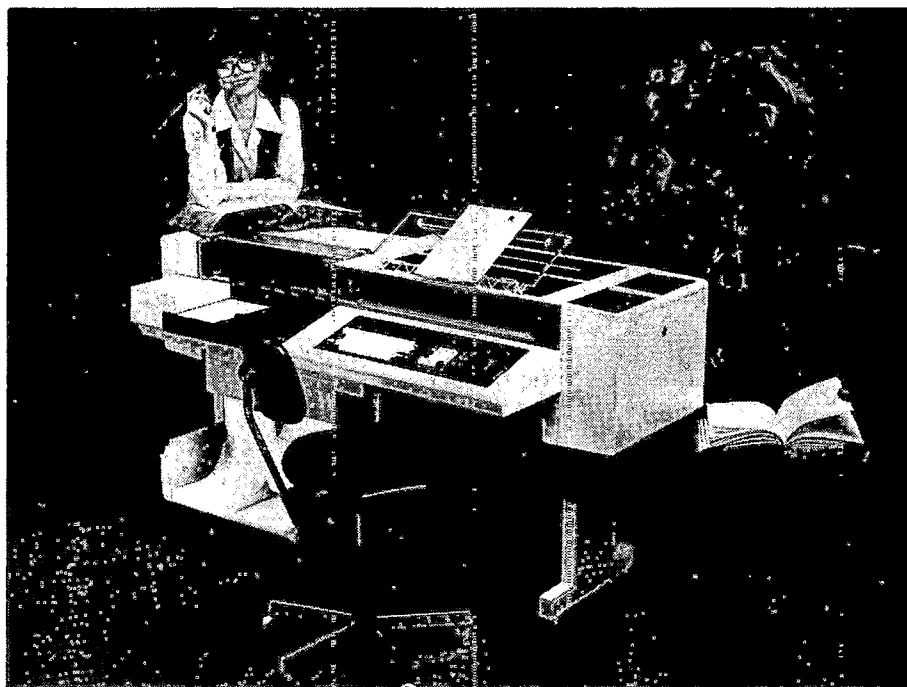


Toshiba LC110PV calculator.

Office International (GP) Ltd (137/147) sole distributors for Toshiba in the UK will show 19 new products. Thirteen are new calculators, another is the new Model BD950 plain paper copier, speed 35 cpm. Of interest is the Toshiba small business computer with options for data storage on single or double sided flexible disc or a magnetic disc system. A number of standard software packages are available.

Also shown on the Office International stand are Philips and Toshiba dictating equipment, the Philips 5002 word processor with new software and telex cutter and the Smith-Corona range of typewriters.

Teletronics Ltd the UK distributor for National Panasonic business equipment will show a National Panasonic small



Kienzle 1900 book-keeping computer.

business computer. Costing about £4,000 this is a keyboard-VDU-disc system with line printers and communication interface options.

Bowden Marketing Ltd (643) will be showing three new models in the Swingline range of staplers. These are the 747 desk model and the 333 De Luxe plus an electric stapler the 0672. Also new to this country is the 6120 electric collator a 12-bin model collating up to 15,000 pages an hour.

Daro (UK) Ltd (107) will introduce the Daro-Robotron S6001 memory typewriter. It retains the features of an

electric office machine plus storage and automatic recall of standard information and typing formats – printing speed 30 c.p.s., automatic error correction, 10 or 12 pitch proportional spacing are other features.

Dymo Business Systems, Elliott Division are showing the Mod Range of manual and automatic addressing machines which use a new easier to use stencil. We understand that the DBS Series III Compact Embossing Terminal for use in plastic card systems will also be shown, by the Farrington Division. It comprises a desktop keyboard-VDU and automatic embosser.



The Xerox 2300 low-volume copier launched at this year's IBS.

Cycles on the Brain

Many and varied are the analytical methods of attempting to foretell the future of economic and financial trends. Of those methods 'cyclical analysis' has probably not been allowed due attention in these columns.

So we make space for the Cyclical Analysis of Interest Rates of London stockbrokers de Zoete & Bevan. Their October commentary began by maintaining that a comparison of economic cycles since the war suggests that the average recessionary period (the interval from the peak to the trough of the economic cycle) lasts 26 months.

The pattern of demand through each downturn has been broadly similar with economic activity growing in line with or slightly below its long term growth rate during the first half of the downturn and reducing well below trend – sometimes even falling in the second half. Short term interest rates have lagged the economic cycle by up to 12 months but their changes closely reflect the demand pattern with the greatest falls coming in the second half of the recession phase of the interest rate cycle.

Long term interest rates have lagged even further behind with their peaks reached up to 20 months after the top of the economic cycle. The delay reflects the build-up of inflationary expectations and the effects of a tightening of credit conditions at the peak of the economic cycle on the supply of long term finance.

Strong similarities

Having established that much, de Zoete go on to consider that the current cycle has some strong similarities with the past. Economic activity reached its cyclical peak in the third quarter of last year while short-term interest rates appear to have reached their's almost a year later. The important difference, however, is the current evidence that the peak of long term interest rates has preceded the peak of short term rates for the first time in the post-war period. Long term rates reached $14\frac{1}{2}$ per cent in February and have since fallen whereas

short term rates were higher in the summer than earlier in the year when MLR was last 14 per cent.

Undeterred by finding something completely different in the cyclical pattern, de Zoete's analysts actually warm to their task of maintaining that 'for this conclusion to be validated there must be no serious deterioration in inflationary expectations and, secondly, the supply of long term finance to the private sector which diminishes during a credit squeeze must not be constrained further by substantial sales of long term government debt.

Evidence hardly suggests that the first condition is being met and there is a distinct risk that the second condition will not be met for some months. Inflationary expectations appear to have deteriorated internationally and domestically to judge by a higher gold price, rising bond yields, rising wages and a fall in sterling.

Severe shortage

'An unexpectedly tight sharpening of monetary policy after the peak of the economic cycle transfers pressures from bank finance to the long end of the credit markets and this translates into a severe shortage of mortgage finance, a collapse of housing starts and hence the beginning of a period of falling demand' de Zoete's commentary states in discussing the matter of long term finance to the private sector.

If the corporate sector is to finance an increasing deficit in such an environment without triggering a sharp increase in long term interest rates, the supply of long term government stocks must be held in check. But insofar as one of the prime causes of the deterioration in the corporate sector's financial position this time round has been the strength of sterling rather than extended financing of large capital projects and speculative stockholdings, the risks of rapidly increasing long term interest rates is not as great as in 1974–75.

'Consequently', de Zoete consider, 'the

probability that long term interest rates have peaked before short term rates remains high, which in turn implies that the UK economy and fixed interest markets have passed a secular turning point. But it is also clear that the conditions for sustained falls in long term interest rates have not yet been met. However, the trend of short term interest rates still appears likely to be downwards.

Cyclical indicators, according to de Zoete, strongly suggest that the trough of the economic cycle will not be seen before the summer/early autumn of next year. On the basis of past trends this suggests that short term interest rates are unlikely to reach their cyclical low point before the middle of 1981 with the greater part of their cyclical reduction coming in the second half of 1980 and the early part of 1981.

This, it is admitted, is later than de Zoete's earlier judgement had suggested. Inflationary expectations were expected to continue to improve bringing a rapid rise in personal savings rates and an equally dramatic fall in the level of stock-building, two factors which could engineer a sharp correction to short-term interest rates. Both these trends are still considered likely to be in evidence but their rate of change, at least on a six months view, would now seem likely to be less dramatic.

Deterioration

Rising wage settlements and the belief that sterling must be devalued further over the coming year if the pressures on the corporate sector are to be relieved, have doubtless contributed to the deterioration in inflationary expectations. The basic difficulty is how to tighten policy further in a recession year.

De Zoete's projections tell of a decline in the annual inflation rate through next year, but to reduce the inflation rate further in 1981 requires a cut in PSBR well below the level equivalent to $4\frac{1}{2}$ per cent GDP – the expected outturn this year.

For that to be achieved fiscal policy will need to become more restrictive even than in 1974–75. The analysts are not convinced that this policy will be pursued at least over the time scale of the review. Consequently they believe that 'the balance of probabilities for the

medium term still favours a period of falling demand and relatively high inflation rates' and 'under these conditions short-term interest rates can reduce while long-term rates remain high – a situation which is not without historic precedent'.

And if that seems to smack of 'this has not happened before but is about to happen again' then the cyclical analysts will be most offended. For their stock in trade is to show that everything is a repetition of something that has happened before even if the circumstances and the degree may differ.

What the cyclical analysts have in common with all the other forecasters of interest rate levels is an engaging capacity to change their mind. Last summer the unanimity of forecasts of falling – even plunging – MLR by September at the latest had to be heard or read to be believed.

October has found all the forecasters still in business unrepentant and apparently undeterred. That indeed is a cyclical development of considerable frequency. But they who never forecast never get anything wrong – or right either come to that.

deposits are more likely to reflect the holders' activities in other countries rather than in the UK. Another area excluded is unused overdraft and credit card facilities which can be converted into liquidity if required. The table is restricted to assets actually held.

Compilation of the figures has pointed to areas where statistics are weak – such as estimates of deposits with local authorities. Information and holdings of liquidity, particularly cash and bank deposits by non-bank financial institutions is particularly uncertain.

Seasonal adjustment is another difficult area. There are known to be strong seasonal influences on the monetary aggregates, and adjustments to these can be applied to the 'money' figures. But for building society shares and deposits there are no seasonal adjustments available at mid-month dates.

There are various ways of using the statistics. The Bank of England points out that the total of all the sectors, £101,985 million (£101,848 million seasonally adjusted) provides a measure of liquidity of the private sector other than banks, finance houses and other savings institutions. But other ways of adding up and presenting the figures are possible.

Four seasons

There are essentially four reasons for holding liquid assets – to facilitate transactions; as a precaution against unforeseen emergencies; for future speculation on less liquid assets and in the expectation of the desire to spend in the near future. A falling level of liquid assets indicates a lessening desire to spend and a reduced volume of transactions.

It is interesting to note that those cyclical analysts in de Zoete & Bevan detect a close relationship between the stock of liquid assets outstanding and the level of economic activity. They consider that The Bank of England's new analysis shows that the rate of exchange of real liquid assets measured on a three monthly and twelve monthly basis (the Bank takes monthly figures back to June 1978) has been declining over the past year.

'Indeed', they comment 'the peak rate of change for personal sector liquid assets, recorded in the spring of 1978, led

Private Sector Liquidity

New to the Bank of England's *Quarterly Bulletin* is a monthly analysis of the components of private sector liquidity. Monthly statistics of the money stock have been published regularly for some time but until now there have been no comparable regular statistical tables bringing together other liquid assets.

Any definition of liquidity, the Bank admits, is necessarily arbitrary and will depend to some degree on the particular purpose for which the information is required. Precise measurement is difficult but the Bank considers it may be helpful to provide 'a spectrum of what are generally regarded as liquid assets'.

Components

The analysis is drawn up on the basis of sterling assets within one year of maturity, or realisable within a year without significant loss of interest or capital although the basis has to be stretched because of inadequate statistics. Only liquid assets held by the private sector other than banks are included. All public sector holdings have been omitted as the public sector's economic behaviour is not affected by changes in its holdings of liquid assets.

The more helpful concept of liquidity relates to private sector assets alone not distorted by public sector assets held temporarily as a result of administrative decision.

There are four components in the analysis, the first and biggest being 'money' – in the form of notes and coin

in circulation and sterling bank deposits in the shape of sight, time and certificates of deposit on the maturity basis already noted. The total shown as at last July is £51,274 million.

'Other money-market instruments' cover treasury bills, bank bills, deposits with local authorities and finance houses to provide a gross total of £5,332 million less finance houses holdings of money and other money-market instruments to give a net figure of £5,245 million.

The third category is savings deposits and securities, being shares and deposits with building societies, deposits with trustee savings banks, deposits with the National Savings Bank and national savings securities giving a gross £46,126 million. From that are taken savings institutions' holdings of money, savings institutions' holdings of other money-market instruments and building societies' deposits with other savings institutions to leave a net £44,200 million.

The fourth block is certificates of tax deposit at a gross £1,482 million less holdings by building societies to lead to a net £1,266 million.

The Bank acknowledges various shortcomings in the statistics stemming from judgements made and statistical inadequacies. For instance the figures include only assets and do not net off short-term liabilities against them.

Foreign currency deposits with UK banks have been excluded partly for lack of information but mainly because such

Financial Accountant

the peak of the economic cycle by around three months.' The Bank's new analysis, therefore, is considered to 'support the evidence from other monetary indicators suggesting that the downturn in economic activity can gather momentum over the near term.'

The relationship between the stock of liquid assets and GDP is, however, indirect to the extent that changes in the

holdings of liquid assets are at the expense or benefit of the purchases of other less liquid assets.

Consequently the immediate impact will be on the relative prices of liquid and less liquid financial assets (or long term versus short term interest rates). The impact on GDP will therefore be through the effect of higher or lower interest rates on capital spending.

sell off certain New Town assets is considered one of the most significant of recent events. For the most part the arrival of these assets (at a time and in a form as yet unknown) will be welcomed by the many institutions whose property acquisition programmes are frustrated by the shortage of sound property investments.

Meanwhile, yields on prime property remain low with the emphasis still on retail investment. Currently there appears to be little chance of securing prime existing shop property at yields substantially greater than 4 per cent. Prime office investments remain relatively scarce and command yields marginally below 5 per cent.

Some concern

On the industrial and warehouse front there is still good demand for standing investments and pre-let developments, but some concern in the context of general economic considerations is being shown about speculative development funding. Prime schemes are still being sought, but the possibility of a slowdown in letting activity by the time schemes presently in their formative stage are ready for letting is causing concern. For prime industrial and warehouse investments yields are marginally below 6½ per cent, although more attractive yields can be obtained on 'very good' – as distinct from 'prime' – propositions.

Bernard Thorpe, putting the matter of yields into perspective, point out that the largest proportion of investment transactions is not carried out at these low yields. The 'prime investment yield' is, however, a useful yardstick of the market because it is partly a concept of the ideal – a good-quality existing property at a popular price level leased at a rack rental to a good covenant in the best location.

Investors, institutional or private, not prepared to accept very low yields are able to achieve somewhat higher returns without neglecting the fundamentals of property investment. 'These in particular', Bernard Thorpe comment, 'are location, by entering the forward funding market, widening their areas of interest and being more flexible about lot sizes. There is more to the current investment market than just prime property.'

Property in Perspective

Rising property values in office and industrial markets are foreseen in the latest survey of those property areas by Bernard Thorpe and Partners. There is every indication, the firm considers, that a fresh spurt of office development will soon begin in a number of provincial cities – due mainly to a rise in rents.

Several cities are now reporting shortages of prime space and that is likely to encourage developers. The amount of space, either with detailed planning permission or being built on, is considerably less than the amount actually being taken up in the leading dozen centres.

Further growth

Some of Bernard Thorpe's branch offices see every sign of further growth in rents with cities such as Birmingham reporting only a reasonable amount of space in off-peak locations. Newcastle reports a critical lack of modern office suites with lack of new space 'encouraging developers'.

Prime rents in Leeds are now up to £5 (a figure calculated to make London city office rent payers swoon), but a healthy supply is likely to be available for a three-year period beginning in mid-1980.

Rent levels are now hovering around the £4.50 a sq ft level or above for prime space in the Southern Home Counties, Leeds, Liverpool and Aberdeen, while Bournemouth reports rents rising by no less than 15 per cent in the past six months and passing through the £4 barrier for the first time.

With dwindling supplies in the City of London and the West End, but rising costs of heating, commuting and salaries, Bernard Thorpe wonder if more firms will begin to rationalise by moving non-

essential staff to new locations whilst giving their key people the best of space in central London.

The industrial property sector remains buoyant despite warnings of economic gloom ahead. The take-up of space in many centres has continued encouragingly with rents for prime property rising by 15 per cent in the Home Counties, parts of Yorkshire and the South Coast.

Increased costs

Prime space within the London boroughs has risen even more rapidly since the spring with increases of up to 25 per cent recorded on some estates handled. Increased land and building costs are two reasons why rents move upwards, coupled with shortage of good space in the right place at the right time.

The pattern is expected to continue through to winter unless there are severe strikes. Confidence is said to remain at an encouraging level, so creating a greater amount of interest from developers.

Competitive and efficient

The Bernard Thorpe view is that if British industry is to be competitive and efficient more companies must consider moving from outworn and outmoded premises. Only then can they begin to compete more effectively with their neighbours in Europe and beyond. It remains to be seen just how long an upward climb tenants will stand before another plateau is reached in rent levels, but the current upward trend is expected to continue at least until the spring.

In the property investment market the stated intention of the Government to

Professional Pessimists

“‘Economists are professional pessimists whose function is to prevent me doing my business’, complained one of our salesmen recently.’ So opened the editorial to the first *Economic Review* of Carr Sebag, the merged stockbroking firm of Joseph Sebag and W. I. Carr.

‘Practitioners of the dismal science’, the editorial goes on, ‘have to suffer such jibes and so they are on their guard against wallowing in self-indulgent gloom’. But all the same, ‘it is hard to be optimistic about the outlook for the UK economy over the next 18 months or so’.

‘The outlook for the balance of payments is dismal: a horrifying current account deficit of £3 billion now looks possible this year, and even if self-sufficiency in oil looks less and less likely to prevent a deficit in 1980. Inflationary expectations are rising: whatever the ultimate truth of the matter, the general impression is that the engineering unions have proved that apparently senseless industrial disruption produces positive

results – at least in the short term. Many engineering employers have voted for bankruptcy later rather than bankruptcy now.

‘The common thread in the behaviour of both unions and employers is the apparent belief that monetarism doesn’t work – or that when the crunch comes the rules will not be enforced.’ They will be proved wrong in the Carr Sebag view. ‘There is no pressure on the Government to ‘desist from its present experiment’.

Finally, Carr Sebag says: ‘A further rise in the oil price in December could make both sterling and UK financial assets more attractive. But in the short term the high current costs and long-deferred benefits of present policies are the basis for caution rather than optimism.

‘Recession will ultimately be good for both gilt and equity prices, but only once the worst inflationary pressures and the threat of further disruption recede.’

Carr Sebag economists are certainly not making things easy for the salesmen.

before the age of 65, has been reduced from £83.20 to £80.80.

The Yorkshire-General reckons that the latest premium reductions make its individual pension arrangements even more competitive, and particularly its new flexible ‘proceeds of the policy’ approach to pensions for executives – which is an alternative to other methods of providing either salary-related or fixed benefits.

Lower Premiums

Standard Life Assurance Company has improved its term assurance rates. The company says its review was carried out against a background of improved mortality. This has produced an improvement in all term assurance premium rates, apart from increasable term assurance and rates for mortgage repayment, for which there is no change.

Rates for permanent assurances are not being altered. But Standard Life has come into line with other offices by withdrawing the remaining guarantees of surrender values for new policies. While the guarantees are being withdrawn, the company has said that, for the time being, the scale of surrender values will remain unaltered. Naturally, the guaranteed values already applying to existing policies are unaffected by this change.

EEC Housing

According to Nationwide Building Society, which has published a bulletin on housing and housing finance in the European Economic Community, about half the housing in the EEC has been built since the Second World War, although about a third of the housing stock was built prior to 1919. Over half the EEC’s housing stock is now made up of buildings containing only one or two dwellings and a higher proportion of new building is in this form, reflecting the increasing trend towards home ownership.

House finance in the Community is raised in three main ways: from short term deposits in building societies or savings banks (as in the United Kingdom and Belgium); from long-term funds raised by funds sold by mortgage banks (as in Italy and Denmark); and

Shorter ‘Flexible’ Term

Scottish Amicable Life Assurance Society, which pioneered the unit system of flexible endowment assurance policies, has introduced a flexible endowment policy with a term of 25 years. It is expected that this will be particularly attractive to younger people, who do not expect to need to keep this type of savings contract in force until the age of 65. The practical effect of the new contract is that lower life cover is provided, so as to maximise the return on savings from the early maturity options. At any time after premiums have been paid for ten years, individual units can be ‘matured’ for values guaranteed at the outset, plus bonuses.

For anyone up to the age of 35, paying a premium of £10 per month, the cash sum at the end of ten years under the new policy is £1,050 plus bonuses, compared with £1,000 plus bonuses under the policy running to the age of 65. Initial life cover is £2,625 per £10 per

month premium, under the new policy, with the level of cover under the policy with the longer term being dependent on age at the outset.

While the contract is likely to be popular with those at younger age levels, it means that for those aged 41–45, savings and life cover can continue beyond the age of 65, if required.

Non-Profit Premium Reductions

Yorkshire-General Life Assurance Co Ltd, the life company of General Accident, has reduced its non-profit annual premium rates under pension contracts providing term assurance and pensions for widows and widowers.

For a 39-year old man, the annual premium for term assurance of £10,000 in the event of death in service before the age of 65 has been reduced from £66.80 to £64.90. If the member’s wife is three years younger than himself, the premium for a widow’s pension of £1,000 per annum, starting at his death in service

from contractual savings schemes (as in West Germany and France). In most countries, a house purchaser often needs mortgage funds from several sources, although these may be available through one lending office.

The Nationwide has said that the building society system, with a high percentage advance of price coming from one source in a single mortgage, is the simplest system of housing finance in the

Community. Mortgage interest rates are fixed or variable, dependent on the type of finance used, with long term loans usually being fixed rates, except where building societies and savings banks turn short term liquid savings into long term mortgage loans at variable interest rates. In most EEC countries, there is some kind of Government support for saving for house purchase, and mortgage interest tax relief is available.

reduce the standard rate of tax, will also be inclined to reduce the degree of relief introduced as offsetting factors when tax rates were high.

And the Government, it is again considered very much on the cards, may consider it politic to ensure that allowance introduced and maintained for one purpose is not taken advantage of, however legally, for another.

To that extent some investment advisers, concerned with the management of income bonds for clients, are torn between the present attractions of guaranteed income bonds and the potential problems that might be posed by future changes in assurance premium allowances.

If current forecasts are correct, commentators in the future may find it difficult to reconcile the tax action with the colour of the political party in power. But if tax allowances inside the bonds and tax relief outside in terms of the investor's private situation are changed, the era of so-called Guaranteed Income Bonds may prove shortlived. By 1981-82 things may be different.

Stabbed in the Back

'You always hurt the one you love' invariably proves true in politics. When considering the actions of governments the chances are that they will be attributed to the 'wrong' political side.

Who introduced the first effective tax on capital gains? - the Conservatives. Who introduced the first national health charges? - Labour. Who introduced stock relief and in the process relieved much of industry from the weight of corporation tax? - Labour. Who effectively put an end to the monopoly power of retail price maintenance? - the Conservatives.

Concern

Now, of course, from the Institute of Directors upwards there is concern that a Conservative Government will take some, if not all, of the worth out of the company car perk. Reductions in perks for company directors and executives would ordinarily be considered the area of egalitarian Labour government.

But it was a Labour Government that developed wage restrictions which hurt its own supporters more than executives. It was the Labour Government that, having increased taxation to a dangerously high point, had to alleviate the effect of it by introducing offsetting allowances which in retrospect have all the appearance of Conservative-style 'incentives'.

The next target for the hurt of the ones that a Conservative Government may be presumed to love is the abolition or, at best, the reduction of tax relief on life assurance premiums. The case for the disallowance is that the life assurance industry and more particularly

newcomers to it have taken the benefit of relief too far.

The relief was originally intended as an encouragement to regular saving and the Victorian virtue of thrift, and so it was when life assurance was in fact a matter of regular saving. But now that the industry has used the relief as the basis for investment vehicles far removed from the original concept of life assurance, it is not at all surprising that the authorities may be inclined to wonder whether advantage is being taken of their tax allowance generosity.

In various walks of life the few can often spoil things for the many who can be trusted not to take an untoward advantage of special privilege. That seems to be happening, or already to have happened in the life assurance walk of life where the income bond issuers have applied the relief originally designed to encourage long-term thrift to the contrivance of guaranteed income bonds through the combination of endowment assurance, temporary annuities and single premiums.

Perfectly legal

All that is perfectly legal, but 'If it's legal it must be right' is a temporary rather than lasting matter in the field of finance.

Advantage taken of a general tax-relief provision is something that the authorities may be content to ignore provided advantage is not taken to excess. But when advantage is exaggerated then the authorities may sit up and take notice.

So it is considered very much on the cards that the Government, pledged to

Unit-linked Innovations

Legal and General (Unit Assurance) Ltd has introduced various innovations for its unit-linked life assurance. Older lives, for instance, can arrange policies on a joint life and survivor basis. The practical effect of this arrangement is that there is a higher allocation of units than if the policy had been arranged in respect of a single life.

Normally, for a man of 64, the unit allocation would be 95 per cent. If, however, the same man arranges a policy on a joint life basis with his wife (who is five years younger), the unit allocation is 102 per cent of the premiums.

Legal and General is now allowing children who are policyholders to switch funds. Also, after taking legal advice, it is allowing children under the age of 18 to surrender policies which they have arranged, provided the surrender instruction is accompanied by an indemnity from the parents, in a form acceptable to the company. In view of the fact that the normal 17 per cent tax credit is allowed to children over the age of 12 arranging policies, this flexibility is important.

Out of Step

One of the few times that Mrs Thatcher has spoken like a politician rather than a sensible woman was when she advised the building societies to think very hard about putting up their interest rates. The advice came after her Chancellor of the Exchequer had raised the Minimum Lending Rate to 14 per cent in his first Budget.

Mrs Thatcher is not the first woman to say 'Do as I say, not do as I do', but at the time of her advice to the building societies the advice to her, in all probability, was that well before the end of the year interest rates would be on the way down. On that prospect her advice to the building societies would later have proved well founded.

Unfortunately, the advice to her on interest rates generally has proved far from well founded. Instead of the single-figure Minimum Lending Rate so freely and widely predicted, the current prospect is that if MLR moves at all it may have to move upwards. Interest rates in the United States are at record levels and may go still higher, while the increasing pace of inflation in the United Kingdom can hardly justify a general interest rate reduction.

The prospect is that the mortgage rate will have to go up to 12½ per cent in the new year. If that proves the case it would be gracious of Mrs Thatcher to acknowledge that the building societies have been obliged to put their rates up because her advice was wrong.

Up Hill, Down Dale

The insurance cycle looks to be turning decisively downwards. The result of the 1976 three-year account on Lloyd's showed a profit of £123 million, which was a reduction of only £12 million on the 1975 account; but that may mark the end of the Lloyd's up cycle.

Particularly so, since £95 million of the 1976 profits were earned on the marine and aviation accounts, which in 1977 account terms are not doing particularly well and in 1978 terms even worse. Computer leasing losses,

hurricane losses, even motor account losses are piling up and the thousands of new members of Lloyd's, attracted by the up cycle of profits and the kudos of membership, may for the first time be in for an unprofitable spell.

Grist to the Mill

Dalgety having duly won the day in the battle for Spillers, the take-over market at the beginning of this week had to look for something new. The English Card Clothing/Carclo Engineering affair was institutionally unexciting, but there were more interesting propositions around.

Racal and Decca, for instance, is a

classic case of new versus old and also another example of ordinary versus 'A' non-voting shares. A Racal take-over of Decca would reduce by one the remaining major non-voting share situations.

Great Universal Stores, Burton Group and Illingworth Morris are three of the other outstanding 'A' non-voting share companies in which control is with 'family' interests. At the recent Illingworth Morris annual meeting when voting went to a poll, it was recalled that the last time there was a poll at an Illingworth Morris meeting it was on the creation of the 'A' non-voting shares. It was also recalled that the institutional opposition was then defeated, as it was at the recent meeting.

Rates and Prices

Closing prices, Monday, October 15th, 1979

Bank of England Minimum Lending Rate				Money Rates			
May 5, 1978	..	8½%	Feb 8, 1979	..	14%	Day to day	13½-13¾%
May 12, 1978	..	9%	Mar 1, 1979	..	13%	7 days	.. 13½-13¾%
June 8, 1978	..	10%	April 5, 1979	..	12%	Trade Bills	
Nov 9, 1978	..	12½%	June 12, 1979	..	14%	1 month	.. 14½%
						2 months	.. 14½%
						3 months	.. 14½%
Finance House Base Rate				Three Months' Rates			
October 1st, 1979, 14½%				Local authority deposits	..	..	13½-14%
Certificates of Tax Deposit				Local authority bonds	..	..	14½-14%
August 3rd, 1979:				Sterling deposit certificates	..	..	13½-13¾%
interest on payment of tax 14% + 0% per annum				Euro-sterling deposits	..	..	14 - 14½%
withdrawn for cash 11%				Euro-dollar deposits	..	..	13½-13¾%
FT Industrial Ordinary Index				Inter-bank rate	..	..	13½-14%
October 15th, 1979, 468.0				Foreign Exchanges			
Treasury Bills				New York	..	2.1555	Frankfurt .. 3.8700
Aug 10	..	£13.2760%	Sept 14	..	£13.4027%	Montreal	.. 2.5300
Aug 17	..	£13.2975%	Sept 21	..	£13.4131%	Amsterdam	.. 4.2900
Aug 24	..	£13.3093%	Sept 28	..	£13.3638%	Brussels	.. 62.3500
Aug 31	..	£13.3397%	Oct 5	..	£13.3244%	Copenhagen	.. 11.2600
Sept 7	..	£13.3485%	Oct 12	..	£13.3615%		
Gilt-edged							
Consols 4%	..	..	..	..	32½	Treasury 13½% 1997	.. 103½
Consols 2½%	..	..	..	..	22½	Treasury 9½% 1999	.. 81
Conversion 3½%	..	..	..	..	36½	Treasury 9% 1994	.. 77
Funding 3½% 99-04	..	..	..	..	39½	Treasury 8½% 84-86	.. 90
Funding 5½% 78-80	..	..	..	..	95½	Treasury 8½% 87-90	.. 81½
Funding 5½% 82-84	..	..	..	..	84½	Treasury 3½% 77-80	.. 94½
Funding 5½% 87-91	..	..	..	..	66½	Treasury 3½% 79-81	.. 93
Funding 6% 1993	..	..	..	..	63½	Treasury 5% 86-89	.. 67½
Funding 6½% 85-87	..	..	..	..	79½	Treasury 5½% 08-12	.. 48½
Treasury 13% 1990	..	..	..	..	102½	Treasury 2½%	.. 20½
Treasury 12½% 1993	..	..	..	..	99	War Loan 3½%	.. 32½

Retail Price Index (Jan 1974=100)

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9				

Tax and Price Index (Jan 1978=100)

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9				

Notice Board

PROFESSIONAL NOTICES

Kidsons announce that from November 1st, 1979, Mr J. H. Willis has been appointed a partner in the Birmingham office and Mr B. D. Hadfield in the Shrewsbury office of Kidsons.

The partners of Sheen Stickland & Co announce the admission to partnership on October 1st of Mr Timothy William Atwell, NDA, ACA, a senior member of their staff, at their Chichester office. They further announce that the firm's Chichester practice is now carried on solely from 7 East Pallant, Chichester (Chichester 781255).

APPOINTMENTS

Mr R. W. Fordham, ACCA, MBIM, has been elected to the board of Delta Metal Co Limited.

Mr Michael G. Lickiss, BSc(Econ), FCA, a partner in Thornton Baker, London, has been appointed chairman of the Business Education Council's Financial Studies Board.

Mr John Millman, FCMA, financial controller and secretary has been appointed to the board of Ashton Containers Limited with effect from October 1st, 1979.

Mr Chris Shirlcliffe, FCA, has been appointed to the board of Securicor International.

Mr Brian E. Smith, FCA, has been appointed group financial director of Dana-Europe.

Mr P. R. Smith, ACCA, has been appointed a director of Devenish Redruth Brewery Ltd, and to the group management board.



Mr P. R. Smith

Mr L. Woodcock

Mr Les Woodcock, ACCA, has been appointed to the newly created post of financial controller of the agricultural division of Trojan Ltd.

ACCOUNTANTS' CHRISTIAN FELLOWSHIP

The objects of the Fellowship are to promote fellowship among Christians preparing for and engaged in accountancy and thus to seek to extend the Kingdom of God. The next of its 1979-80 evening meetings will be held on December 6th, when the subject for discussion is 'Are business ethics the law of the jungle?'

Meetings are held in St Edmund's Hall, George Yard, Lombard Street, London EC3; discussion begins at 5.30 pm and ends about 7.30 pm. Coffee and biscuits are available beforehand.

Membership is open to all who are engaged in or studying accountancy in all its fields. Forms and information are available from Mr R. J. Carter, 3 Ashley Court, 17 Hayne Road, Beckenham, Kent (01-650 0487 or 01-434 1533).

FRAUD - HOW AND WHY?

'Fraud' is the subject of a conference jointly sponsored by the ICAEW and *The Observer*, to be held at the Royal Lancaster Hotel, London W2, on November 30th. Under the chairmanship of Mr Ian Hay Davison, BSc(Econ), FCA, the conference will review the commission and prevention of fraud, and the responsibilities of management and auditors in this area.

Speakers include Sir David Napley, a Past-President of the Law Society; Dr Michael Levy, lecturer in criminology at University College, Cardiff; and Mr Graeme Ward, President of the Institute of Internal Auditors. Inquiries and applications should be addressed to the ICAEW Courses Department at Chartered Accountants' Hall (01-628 7060).

GUIDE TO GOVERNMENT AID

A brief guide to government aid for developing businesses in the United Kingdom is available from the Institute of Chartered Accountants in England and Wales, price £3.95. Entitled 'Financial Assistance for Industry and Commerce in the United Kingdom', it is intended for the businessman who wishes to take advantage of government incentives, and who needs to be aware of the general thrust of government policy and the manner in which it could

interact with or influence his business decisions.

Advice is given on preparing submissions for aid. An appendix details the proposed changes in the designation of assisted areas and in the availability of regional development grants and regional selective financial assistance announced by the Secretary of State for Industry on July 17th, 1979.

BACKGROUND TO ED24

Background papers to ED24 have been published in booklet form by the Inflation Accounting Steering Group. The aim of these papers is to expand on some of the thinking underlying ED24 on current cost accounting, and to enable those interested to study how approaches to specific problems have developed since ED18 and in the light of experience of the interim Hyde recommendation.

The new background papers have, generally, not repeated discussions on matters previously included in background papers to ED18, but concentrate on the main issues which have been the subject of debate generally on the development of CCA. They are shorter than those previously published, and also, in the view of the IASG, 'hopefully more readable'.

Copies can be obtained from the Publications Department, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ (01-628 7060), price £1.75.

CHECKING THE FIRM'S PERFORMANCE

A concise guide to the concept of ratio analysis is provided in the latest in the series of ICAEW booklets 'Notes for Businessmen'. *Checking the Firm's Performance* (price 75p) aims to explain in simple terms how ratio analysis can help the businessman to identify the financial strengths and weaknesses of his business and to make sensible comparisons with others.

This type of analysis is not intended to put a straitjacket on a company's operations but is designed to give the owner and managers a better feel of the important financial characteristics and the ability to interpret early warning signals about how well or badly a company is progressing.

Notice Board

THE SCOTTISH COMPUTER CONTROL AND AUDIT GROUP

The SCCAG was formally constituted at an inaugural meeting held at Heriot Watt University. The object of the group is to bring together people interested in the control and audit of computer systems.

The following office bearers and committee were elected: Chairman: Lindsay Mercer, Scottish & Newcastle Breweries Ltd, Secretary: James Clark, Arthur Young McClelland Moores & Co, Treasurer: Tom Jenkins, Deloitte Haskins & Sells.

Further information can be obtained from the secretary at 16 Abercromby Place, Edinburgh.

ICAEW LIST OF MEMBERS AND FIRMS 1979/80

The 1979/80 List of Members and Firms of the ICAEW with addresses revised to May 1st 1979 and embodying changes in Council and Committee membership made in June 1979 will be published on October 29th 1979.

Copies of the 1979/80 List of Members and Firms will be available from the Institute at £6.50 per copy post free for members (or £5.50 if purchased at the Enquiry Office) and £12 for non-members.

ICMA IRISH OFFICE

The Institute of Cost and Management Accountants has opened a new office in Dublin, at Connaught House, 44 Upper Mount Street, Dublin 2 (Dublin 785133). The Institute's education and training officer in the Republic is Miss Barbara Schmidt, BA, HDipEd.

LEEDS UNIVERSITY TEACHING FELLOWSHIP

A further link between the accountancy profession and the academic community has been forged by the endowment of an Arthur Andersen fellowship at the University of Leeds. The purpose of the fellowship is for one of the firm's managers to be seconded to the School of Economic Studies to undertake part-time teaching in accounting and business finance.

The first holder of the fellowship has been named as Mr Carl Fry, BSc, ACA, who joined Arthur Andersen in 1973 and is attached to their Leeds office.

The Institute of Chartered Accountants in England and Wales

Disciplinary Committee, 23 January 1979

Peter Verran Stevenson, FCA, of Westminster Chambers, 3 Crosshall Street, Liverpool, failed to satisfy a judgment debt, namely within the meaning of bye-law 78 (c)

(a) in that he at Liverpool having had judgment entered against him in the Liverpool District Registry of the High Court of Justice on 29th December 1977, in the sum of £4,141.78, failed to discharge the whole of that judgment debt by 3rd October 1978

(b) and in that he at Liverpool having had judgment entered against him in the Guildford County Court on 19th June 1978, in the sum of £38.59, failed to discharge any part of that judgment debt by 3rd October 1978

(c) and in that he at Liverpool, having had judgment entered against P. V. Stevenson & Partners (a firm) in the Sevenoaks County Court on 18th August 1977, in the sum of £142, failed to discharge any part of that judgment debt by 3rd October 1978

and Peter Verran Stevenson having been found guilty of misconduct within the meaning of bye-law 78 (a)

(d) in that he at Liverpool, having incurred a financial liability on 22nd February 1976, in the sum of £2,000 and having undertaken on 29th March 1978, to discharge a substantial part of that liability before the end of April 1978, failed to honour that undertaking

was EXCLUDED from membership of the Institute.

Courses and Conferences

October 18th: 'The Finance Act 1979', Renold Theatre, UMIST, Manchester.

Manchester Society of Chartered Accountants, Ship Canal House, King Street, Manchester M2 2AD (061-832 8843/4). £15. Evening lecture 5 pm.

October 18th: 'Reservation of Title', London.

London Society of Chartered Accountants, 38 Finsbury Square, London EC2A 1PX (01-628 2467). £21. Afternoon lecture 2 pm.

October 18th-19th: 'Financial Modelling', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £105.

October 18th: 'Tax Planning for Family and Close Companies', Exeter.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £40.

October 19th: 'Organisational Controls', London.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060). £75.

October 21st-27th: 'Taxation Training I', Glenburn Hotel, Rothesay.

The Director of Post-Qualifying Education, ICA of Scotland, 27 Queen Street, Edinburgh EH2 1LA. £270.

October 22nd: 'Directors', Personal Liability', Europa Hotel, London W1.

Oyez IBC, Norwich House, 11-13 Norwich Street, London EC4A 1AB (01-242 2481/3473).

October 22nd: 'Tax Planning and the Individual', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £55.

October 22nd-24th: 'Manufacturing', Bedford.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 22nd: 'The Computer Bureau and the Practising Accountant', at the Holiday Inn, King Henry's Road, Swiss Cottage, London NW3.

CTS, VTS House, Masons Avenue, Harrow, Middlesex HA3 5AH (01-836 0111). No charge.

October 22nd: 'Current Cost Accounting - Basic Principles', at the Cutlers' Hall, Sheffield.

Sheffield and District Society of Chartered Accountants, 2a Rutland Park, Sheffield S10 2PD (Sheffield 681450). £34.

October 23rd: 'Company Taxation for the Management Accountant', in London.

ICMA, 63 Portland Place, London W1N 4AB (01-637 2311).

October 23rd: 'The Finance Act', Reading.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £40.

October 23rd: 'Tax Planning on the Farm', Cambridge.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 23rd: 'Tax Planning for Partnerships', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £55.

October 24th: 'Price Controls (1979): The Practical Problems'.

ICMA, 63 Portland Place, London W1N 4AB (01-637 2311).

October 24th: 'Development Land Tax - A Practitioners Approach', Renold Theatre, UMIST, Manchester.

Manchester Society of Chartered Accountants, Ship Canal House, King Street, Manchester M2 2AD (061-832 8843/4). Evening lecture 4 pm. £15.



THE ACCOUNTANT

ESTABLISHED 1874

OCTOBER 25th, 1979

30p

165

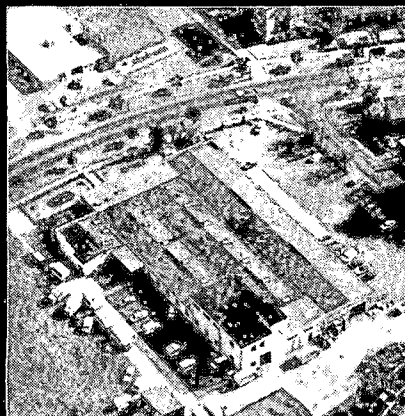
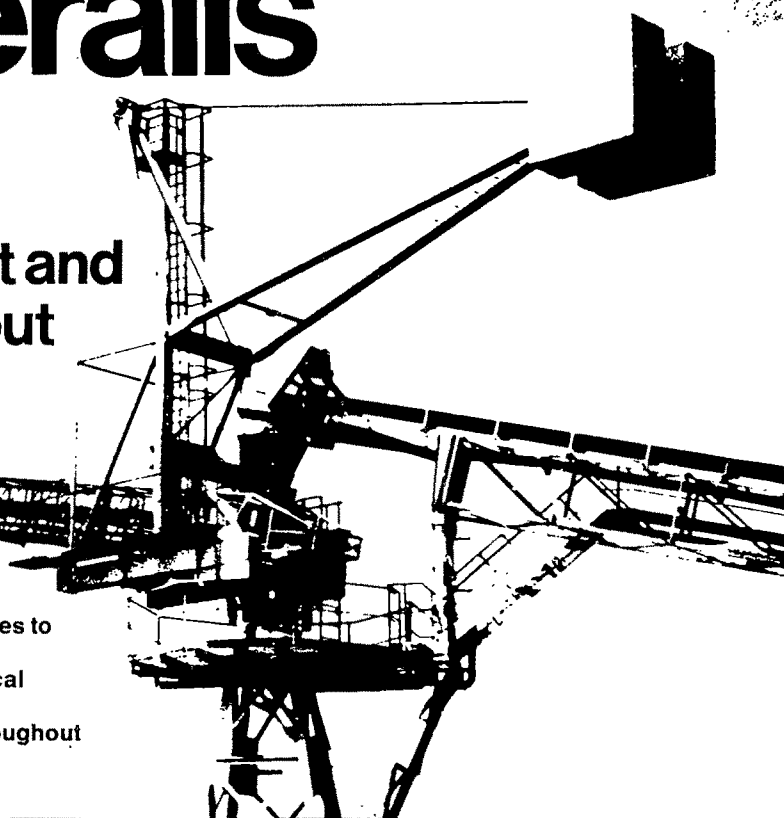


Weatheralls Value

Land, Buildings, Plant and
Machinery throughout
Western Europe

Recent relaxation in exchange controls create
unprecedented opportunities for U.K. companies to
expand overseas.

A strong team of professional advisers with local
knowledge is essential. Weatheralls provide a
comprehensive property valuation service throughout
Western Europe.



London

Weatherall Green & Smith
22 Chancery Lane London WC2A 1LT

01-405 6944

Paris

Weatherall Green & Smith
Weatherall France S.A.
64 rue La Boetie 75008 Paris

563 05 50

Frankfurt

Weatherall Green & Smith GmbH & Co K.G.
6 Frankfurt am Main, Goethestrasse 23

29 00 31

Leeds

Weatherall Hollis & Gafe
29 King Street Leeds

(0532)442066

Editor:

M. Barradell, LLB, FCA
151 Strand
London WC2R 1JJ
Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5465

OCTOBER 25th, 1979

In this Issue

590

ED24 'An Improvement'

595

**No Status Quo for
Status Symbols**
Edward Symonds

599

**The Shape of Companies
Acts to Come**
C. W. Nobes, BA, ACCA

603

**'Security' of
Statutory Declaration**

605

**Copper-Bottomed
Investments**

611

**Educating and Training
The Accountant**
E. B. Bishop, FCMA, JDipMA, FCIS

Current Affairs	590
This is My Life	594
Accountant Abroad	595
Revenue Report	603
Financial Accountant	605
Student Roundabout	611
Notice Board	615

Cover: Dick van Dyke in that ultimate of status symbols 'Chitty Chitty Bang Bang' (See page 595).

Company Disclosures

Last month's Green Paper *Company Accounting and Disclosure* indicated a significant willingness on the part of the Government to move away from the principle that all companies (with certain minor exceptions) should be subject to the same régime for the preparation, audit and publication of their annual accounts. The Government, as Mr Reginald Eyre (Department of Trade Minister for Companies) told the ICSA National Conference last week, has no wish to tell businessmen how to run their business, but believes that there is need for reform in certain significant areas, including disclosure.

Fundamental to the disclosure issue, of course, is the existence and availability of a central register of information. And this in turn leads us to wonder whether all is as well as it might be in the Companies Registration Department.

Compliance with the Registration of Business Names Act 1916, for instance, appears to have been on a largely voluntary basis for years past. It is also perfectly true that the Act owes its inception to the then prevailing xenophobia of the early days of the First World War. Nevertheless, the need to know with whom one is dealing remains a legitimate business objective, and there should be strong opposition to any proposal to discontinue the Business Names Registry. We should prefer to see it established on the basis of an economic scale of charges which would provide for effective registration and, where necessary, enforcement.

Also in the area of enforcement, the year 1974 in particular witnessed a conspicuous upsurge in the level of Department of Trade pursuit for failure to file annual returns. Not a few of the offenders, it was rumoured, were small companies who (together in some cases with their professional advisors) had been notoriously slow to recognise the effects of the Companies Act 1967.

We hear from one chartered accountant – a Past-President of his district society – that the Companies Registry was accepting for filing in individual cases, until quite recently, annual returns incorporating the pre-1967 form of certificate formerly required of exempt private companies, and accounts which had been 'audited' by persons not holding the qualifications specified in either section 161 (1) (a) or (1) (b) of the Companies Act 1948. And our issue of June 7th included a charge, as yet unanswered, from Mr R. W. Maas, FCA, ATII, a fee being charged without the supply of the statutory information.

It may well be that the single irregularity attracts far more attention than do the thousands of cases which are correctly handled. Relations between the Registrar of Companies and *The Accountant*, over the years, have been amicable, and we do not underestimate for a moment the magnitude of his statutory responsibilities. But there appears to us to be at least a prima facie case for the evaluation in practical terms of the discharge of those responsibilities before taking any action to vary or add to them.



ED24

'An Improvement'

The Accounts Users Group recently welcomed ED24 as 'an improvement on all previous attempts to show the effects of inflation upon company accounts'. In particular, it welcomes the introduction of the monetary working capital adjustment and the requirement for publication of a current cost balance sheet. The group accepts that there should be scope for companies to experiment where they believe they have a superior method of showing inflation adjusted profits, but in these cases the companies should quantify by way of note the effect of their departing from the recommended accounting practice.

If investors are to be able to use the supplementary figures in conjunction with the basic profit figures for assessing companies, the supplementary figures should be available at the same time as the basic figures. The group therefore suggests that the accounting standard should require large companies to publish (i) the basic current cost profit and loss account figures at the same time as they publish their preliminary statement of profits for the year; and (ii) current cost profit figures with interim and quarterly profit statements.

Noting that ICI has calculated its gearing adjustment on the basis of the proportion of holding gains financed by borrowing, the group finds this 'a distinctly superior basis for calculating gearing adjustment to that introduced in the Hyde guidelines, which it is still the most 'common practice'. The group recommends that the standard basis for calculating gearing should be the proportion of holding gains financed by borrowing; and, if any flexibility in calculating is to be permitted, it should be required that companies state in the notes not only the principles on which they have calculated the adjustment, but also the details of the calculation.

If certain classes of companies are to be exempted from the requirement to provide a current cost statement, they should nonetheless be required to show the effects of inflation. The group considers that this can be done by an annual revaluation of assets and a statement reconciling the change in asset value with the change in shareholders' equity required to keep up with inflation as calculated by the RPI - 'or some other relevant index' - and allowing for the effect of any acquisitions and disposals.

enable smaller businesses to receive recognition for successful ideas, and to demonstrate to other businesses how problems have been solved. It will also demonstrate that British industry is very much alive, and that the growing company is still able to overcome difficulties, develop ideas and make profits'.

Enquiries and entries should be addressed to the Secretary, Industrial Achievement Award, c/o Development Capital Ltd, 88 Baker Street, London W1M 1DL.

Two Into One

Two long-established names in the accountancy profession - Viney Merretts and Binder Hamlyn - this week announced the impending merger of their London practices as from May 1st, 1980. Advantages claimed for the merger - which, in the words of Binder Hamlyn managing partner Mr M. Shirley-Beavan, FCA, 'is complementary to our recent merger with some of the provincial offices of Tansley Witt' [*The Accountant*, September 6th] - include an increased range of services and geographical coverage, as well as wider opportunities for staff.

Viney Merretts, as recorded in *The Accountant* of October 26th, 1978, celebrated its 150th anniversary last year - having traced its ancestry to the practice of 'Parrinton & Sons, Practising Accountants' in a City of London directory of 1828. Binder Hamlyn is of more recent origin, one of its founding partners being the late Sir Bernhard Heymann Binder, FCA, President of the Institute of Chartered Accountants in England and Wales in 1948-49, who was admitted to membership in 1908 with joint first place in his Final examination, and who was granted a certificate of practice in 1911.

The joint firm will practise in the name of 'Binder Hamlyn'. A formal announcement appears on page 615.

Inside Outside

An insider, for the purpose of this week's Government consultative paper on company law, is one who deals in information 'which it would be reasonable to expect a person in that position not to

What a Good Idea

Owners and managers of Britain's smaller businesses - defined for this purpose as having an annual turnover between £50,000 and £10 million - have the opportunity of qualifying for an important new trophy and monetary award. The essential qualification is that a single idea has been profitably implemented within the past two years, and that it is likely to lead to substantial further profits.

The Industrial Achievement Award, jointly endowed by Bowmaker Group and Development Capital Ltd in conjunction with the ICAEW monthly journal *Accountancy*, will be presented at the end of 1980 on the basis of monthly heats throughout the year. The overall

winner will receive a prize of £10,000, and there are specially designed commemorative trophies both for the overall winner and for the winners of each monthly heat.

Under the chairmanship of Sir Monty Finniston, a panel of six judges - including the Editor of *Accountancy*, Mr Geoffrey Holmes, FCA - will be looking at such details as the nature of the idea, why it was developed, how it was implemented, and what benefits have been derived from it. Entries, it is envisaged, should take the form of a narrative report supported by accounting data.

A spokesman for the Industrial Achievement Award committee said this week: 'The objective of the Award is to

Current Affairs

disclose except for the proper performance of his functions in relation to the company'; information, moreover, which he holds by virtue of his connection with the company and which he knows is price-sensitive. Failing serious objection from the securities industry, the Government hopes to incorporate these provisions in the Companies Bill now before Parliament.

Difficulties of definition have bedevilled previous attempts to outlaw insider dealing without at the same time discouraging executives from holding any investment in the companies for which they work. Under the present proposals, the maximum sanction for such an offence would be imprisonment for up to two years, with or without a fine not exceeding £1,000.

Employee Shares An Untapped Source

Employee share schemes are a valuable potential source of capital to British industry, ICAEW President Mr David Richards, FCA, told last Friday's annual dinner of the West Yorkshire Society of Chartered Accountants. He deplored the decline in private share ownership which, he said, was largely due to a derisory return net of tax on the savings invested by the private shareholders.

'There is strong evidence to suggest that it pays to make employees into shareholders', Mr Richards said, 'not only to increase a company's capital base, but also for other benefits as well. A study made in the United States over an 18-year period shows that companies that had employee share schemes were, on the whole, more productive and more profitable than those that did not. 'There are now tax incentives for such schemes in the UK, and I hope that there will be more under this Government'.

Among the major advantages flowing from employee shareholdings, Mr Richards identified the encouragement for an employee to identify himself more closely with his company, and to take a greater interest in its welfare; that companies would obtain additional capital from funds on which they have had tax relief, as the capital would come from tax deductible bonuses; that small company owners could release shares without the

fear of a loss of their independence; and a likely improvement in productivity and profitability. Addressing Sir Keith Joseph, who had proposed the toast of the Institute, he urged the Government to examine employee share ownership very seriously in the course of their review of Britain's economic position.

'The cost, in terms of tax concessions would be minimal; the benefits could be immeasurable', the President concluded.

Cross-Fertilisations Emphasis of LSCA

The London Society of Chartered Accountants is laying great stress on its determination to improve the understanding between accountants in practice and accountants in industry.

At a press conference this week they announced an industrial bursary scheme to commence in September next year and the recommendation to the Institute of plans for new ethical guidelines for industrial and commercial accountants.

The industrial bursary scheme is to give qualified accountants near to partnership in practising firms a year's practical experience in a company, with particular reference to the finance director's function. He would remain on the payroll of the practising firm but part of his salary would be contributed by the company to which he would be assigned, which

would not be an audit client. It is assumed that the candidate will make a useful contribution to the company and in return the company will make him a better audit partner.

Initially the participating companies will be those whose finance director is a member of the Hundred Group of companies. The programme will start with up to five places next year, increasing to about ten places in future years.

The present ethical guidelines are considered insufficient for industrial and commercial accountants. The LSCA lay down a suggested code with clauses in the holy number of seven. Clauses one and two demand the same ethical standards and competence as accountants in practice. Clause three prescribes misrepresentation. Clause four deals with the danger of compromising an industrial accountant's independence. Then comes the issue of confidentiality followed, most importantly, by the case of misuse of position and information obtained therefrom. The final point deals with published accounts and their compliance with standards.

The London Society also recommends the establishment of a confidential Advisory Service on ethical issues. Their proposals have been put to the Institute, the CCAB and to the Hundred Group of companies.



Pictured at the annual dinner of the West Yorkshire Society of Chartered Accountants held in Leeds last Friday are (left to right) His Honour, Judge Donald Herrod, QC, President, Mr John A. Smith, FCA, the Lord Mayor of Leeds, Councillor Mrs Christine M. Thomas and Mr David Richards, FCA, President of the ICAEW.

Irish Region Challenged

The certified accountants of Ireland last Friday travelled south to Waterford for their second annual conference. In a hotel commanding panoramic views of the ancient city, delegates faced challenges heralding the start of the third millennium.

In Ireland the past decade has seen dramatic changes in the world of business and finance – the accountancy profession affected by every one of them. The object of the conference was to consider both present education and training facilities for the profession and the relevance to future needs of current policies in these areas. In the space of a day and a half a dozen well-chosen speakers highlighted the pitfalls of torpidity and brought forth from the delegates the impression that within the Irish Region of certified accountants there is both a willingness and an ability to adopt every innovation relevant to the needs of the business community.

First to address the conference was Dr Noel Whelan, Secretary of the Department of Economic Planning and Development, and Chairman of the National Economic and Social Council. He wished to distinguish between the narrow need for technical expertise and the need for a broad-based education within the profession. The key to anticipation of change, he said, lies in the education curriculum. It is essential that accountants be skilled in monitoring changes in the socio-economic system.

Economic revolution

On the technical front, he said, the role of accountants must embrace data storage and processing with the objectives of having interpreted information available in the right place at the right time. Ireland is undergoing economic evolution with a growth of government services and a decline in agriculture and industry. Economic growth over the next 50 years would, said Dr Whelan, be very low with the government having an increasing involvement in factors affecting both the environment and leisure. There was the need for constant critical appraisal of government spending with representation by accountants on policy-

effectiveness audits. The speaker's parting shot was a query as to the sufficiency of present accountancy techniques for the developing multinationals.

Next to appraise the current situation was Mr Gerry Sweeney, Assistant Director General of the Institute of Industrial Research and Standards. In a paper entitled 'The Silent Revolution' he argued that the developed world is in the process of changing from an industrial economy to an information economy. Pre-dating silicon chips and microprocessors has been society's need to know. The technology of this new age is not the microprocessor but what is being increasingly known as telematics; the prime motive force is not technological but socio-economic. Mr Sweeney defined telematics as the integration into one technology of telecommunications and informatics – a technology, which through the introduction of micro-electronics can be applied to any aspect of information handling and transmission. In Ireland, a study of the information handling service sector showed the use of information technology to be poor and restricted.

Progressive industrial firms throughout the world are no longer organised as production systems but as learning systems – inquiring, evaluating, communicating and deciding. Their objective is not the pursuit of profits but the pursuit of knowledge: profits are the measure of their success in this pursuit. In a mind-stretching review, delegates learnt of a French national data network which is part of the plan to make France a first class nation by 1985.

Aspects of the human side of enterprise were very sensitively covered by Mr Oliver Maloney of Response from Industry Foundation Ltd. He placed great store on the influence which accountants could exert in a country such as Ireland where more than three-quarters of all companies employ less than 50 people. Attitudes in small businesses to the principles of the accountancy profession are frequently like attitudes to religion – the dogma is accepted, the principles respected but the application lax.

A lively, witty and informative presentation was given by Professor John

Small of Heriot-Watt University who said that professional bodies advertise themselves through their education requirements. In the past there had been too little research.

Dr Enda Hession of University College, Dublin stressed the point that students now are much more demanding, questioning and confident. He said that academic pass rates in Ireland compared extremely favourably with those in Europe and, among the points made, he highlighted the practical orientation in Ireland of many university courses. From the Northern Ireland Polytechnic, Professor George Pogue emphasised the demand for post-graduate diplomas in accountancy and the importance of behavioural science as a syllabus subject.

Headquarters review

From headquarters in London came Mr Andrew Sansom, Deputy Secretary of the Association. In delivering a comprehensive review of discipline and standards he explained that implementation both in time and manner of proposed changes was still under discussion although in many aspects the pattern was already determined. His personal belief was that all aspects of the revised machinery would apply to members in the Republic soon.

The final speaker was Mr Jim Finucane, Secretary of the Irish Region. In outlining the course facilities organised by the secretariat he called for greater participation by the small practitioner. Every effort, he said, was made to present the lectures, courses and seminars as widely geographically as possible throughout the Region and at the lowest charge. Additionally, his team was heavily involved both in providing tuition for students and supporting what, in many cases, amounted to considerable efforts by the students themselves. Membership in the Region was approaching the 1,000 mark and the Association has the greatest annual student intake of all the Irish accountancy bodies.

The conference was chaired by Mr Dave Leonard whose timing and style provided an accomplished garnish to an array of highly talented and erudite communicators. The Irish Region will hold its next annual conference in Dublin on March 28–29th, 1980.

Give muddled expenses the slip.

Cardmember Account Number 3742 900729 91006			
Cardmember Name 10/79 THRU 10/80 73 AX DEREK JONES HAWKES & MCCREE LTD		Approval Code 	
Service Establishment HUNSTRETE HOUSE HOTEL CHELWOOD BRISTOL 942 107 107 7		Date of Charge 2/10/79	
Any delayed charges are entered below:		Type of Delayed Chg.	
Merchandise/Services £27 10		Amt. of Delayed Chg.	
Taxes		Revised Total	
Taxes		Total £27 10	
Cardmember Signature X Derek Jones		Please Print Firmly DEREK JONES HAWKES & MCCREE LTD	
Number 8980044		Cardmember Copy	

ROC FORM 42-03-00-780-0 PRINTED IN U.K.

This slip of paper is a signed receipt for business expenses charged to the American Express Company Card. Complete, legible, unambiguous.

The managers or executives chosen to carry the Card get one copy for each transaction. The company receives one to match.

Gone is the muddle of travel and entertainment bills of all shapes, sizes and currencies which continuously flow into any busy accounts department. And which cause so much unnecessary work for your accounts staff.

The American Express Company Card System offers a choice of billing methods to suit your company.

For example, if you choose Central Billing, your company will receive copies of all these uniform receipts with a detailed individual

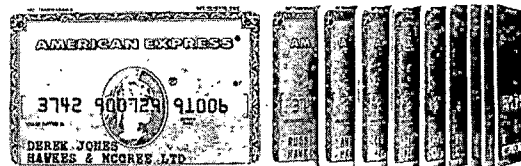
statement – always presented in pounds sterling no matter where the expenses are incurred. At the same time, a summary statement gives you a clear overall view of Cardmember expenditure – which you can settle with a single cheque.

It all adds up to a compact and permanent record of travel and entertainment expenses, which allows you to identify and control patterns of spending.

The American Express Record of Charge illustrated above is just one facet of the simplest, most efficient system for dealing with business expenses.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs, just cut out the coupon.

And cut the hidden cost of business expenses.



To: The Manager, Company Cards,
American Express Company, Freepost,
P.O. Box 91, Brighton BN2 1ZQ.

Please let me have further details of the
Company Card System for 10 or more employees
regularly incurring business expenses.

Name Mr Mrs Miss _____

Position _____

Company Name and Address _____

_____ A/ROC

☐ If you would like details of the system for
1-9 employees only please tick



The American Express Card for Companies –it's more businesslike.

American Express Company Incorporated with Limited Liability in the USA. J.S. Quartley, Resident Vice-President - United Kingdom and Ireland.

Current Affairs

Giving Reports Added Value

The merits and uses of added value information for financial reporting purposes are evaluated in a recent study by the Institute of Chartered Accountants in England and Wales. *Added Value in External Financial Reporting* was commissioned by the Institute's Research Committee as part of its support programme for the work of the Accounting Standards Committee.

Among its conclusions, based on a survey of AV reports from 57 major UK companies, the study suggests there is a strong case for establishing a formal requirement for added value information to be given in general-purpose external financial reports of companies. But there

are at present more significant divergences in practice relating to the calculation of added value than there are relating to profit. Standardisation of practice is a necessary precondition to any formal requirement.

The authors – a three-man team headed by Mr Michael Renshall, OBE, MA, FCA, former ICAEW Technical Director and now a partner in Peat Marwick Mitchell – recommend that information should be presented in the form of a combined added value and profit and loss account. The method of calculating added value should be explained in the statement of accounting policies and should follow current accounting standards and practices, including the accruals and prudence concepts. Added value should be related to

cost of sales – intermediate inputs ('sales value added') – and not cost of production ('production value added') or net output.

In principle, 'net added value', in which depreciation is treated as an intermediate input, should be preferred to 'gross added value', in which depreciation is treated as a primary input; but it has to be recognised, the study adds, that the EEC Fourth Directive permits only the latter treatment.

Quote of the Week

'He must be able to steer a middle course between bigotry and scepticism' – Attributes of a good Permanent Secretary as defined by Sir Ian Bancroft, Head of the Home Civil Service.

THIS IS MY LIFE

Outside earnings

by An Industrious Accountant

The audit was completed satisfactorily and according to custom the juniors of the visiting team came in to have an informal chat over coffee and cake. They were just out of articles and were waiting for final exam results, so I asked them what the future held. The younger said cheerfully that a few years abroad for kicks or a post in the firm's tax department would suit his ambitions, but the elder was less conservative.

Off the record, he said, a chap he knew was building up a jolly successful little construction company and wanted a reliable accountant to keep the books in the evening and watch costs and tax and receipts and so on. All very private, naturally, and no PAYE to reduce his fees, or perhaps a garage to be built behind his house; out of sight, you know, and no charge. With today's meagre salaries, a nixer or two could make a change in the old life-style!

He pricked my conscience. Some decades ago, I, too, was just qualified,

with a miserable salary and a lot of expenses, when my aunt suggested that I help a friend of hers, a very pleasant young widow, who was trying to run a poor enough guest-house recently left to her, and who had both money and determination and courage to renovate her new property, work it up to pride and prosperity. All she lacked was a knowledge of book-keeping.

Within the week I was carefully making entries in new cash books and ledgers, when something went wrong. Sheaves of assorted invoices piled up, the widow liked to pay them at random, and tended to change week-end prices without warning. The bank sheets failed to reconcile totals with the ledger accounts, and I couldn't quantify partly used bags of sugar or potatoes and blankets for the cost accounts.

We got on one another's nerves. The guest-house was seven miles from my home and the March rain was drenching. She wanted me to pressurise a seven-

foot tenant who said stubbornly that he'd be in funds next month but not before and what about it? My ledger control account faltered when I charged her spring outfit to 'House linen and curtains', and she lost her cheque-book and gave me estimated figures which proved inaccurate.

I lost my nerve. I wrote her a letter of resignation with a bill for a tenner for fees. She paid without comment; she should have ignored it. I've been ashamed of my blunders and rudeness ever since.



... The March rain was drenching.

No *Status Quo* for Status Symbols

from EDWARD SYMONDS in the United States

Steam is already beginning to build up for a general tax cut to shorten the present recession in the United States – and to prepare for next year's election. To his credit, President Carter has ruled out any official discussion of the subject, remaining true to his budget-balancing objective and fully supporting the chairman of the Federal Reserve Board, Mr Paul A. Volcker, in his rugged deflationary policies. But covetous eyes are being cast in the direction of Britain and its effort to juggle the tax load in such a way that taxation levels at least appear to have been lightened.

In both the Senate and the House of Representatives, influential voices are being raised in favour of VAT, the cornerstone of Britain's recent tax changes but until now unknown to the American taxpayer. One of the VAT features that especially attracts Washington is the relative ease with which it can be adjusted – and collected.

Black economy

Observers have usually assumed that the growth of the underground 'black economy' – not subject to measurement because it is unreported, and therefore not subject to tax – has been less rapid in recent years in America than in Europe. But a report made recently by the Internal Revenue Service suggests that the highly-prized self-assessment system operated in the United States has sprung some serious leaks.

The authorities are therefore launching a programme to tighten up on the collection of income tax. Questionable exemptions claimed under the withholding system are to be investigated. Under-reporting of capital gains and of income from bearer bonds is to be checked. Tax shelter income is to be better policed. The new requirements for

the declaration of foreign bank accounts and for the regulation of operations in tax havens are to be more vigorously enforced, in the hope of preventing untaxed income from being accumulated abroad.

Estimate of evasion

All of this sounds impressive, and it will doubtless bring results. But the reason for the campaign is that the IRS is concerned about and has finally decided to publish its estimate of the amount of income tax that individuals are failing to pay – namely, nearly \$20 billion in 1976, and presumably still more in later years. Including both underpayments on legal income and unpaid tax on narcotics, gambling, prostitution and other illegal activities, unpaid taxes have reached some 10 per cent of the total due.

Although the IRS is certainly justified in holding that the estimated losses provide no evidence that the collection system is falling part, the Service would clearly like to see more emphasis placed on VAT or some other form of excise levy as a way of supplementing the yield of the income tax. It has also been taking another resentful look at fringe benefits, and the role that they play both in eroding the tax base and in encouraging evasion.

The latest attacks on fringe benefits in Britain have evidently shocked taxpayers by their focus on company cars and other deeply entrenched parts of the system. In the United States, the Treasury has always firmly maintained that all such benefits must be taxed, unless specifically exempted by statute for some overriding social reason – such as the provision of pension and insurance coverage. In practice, however, most non-exempted benefits have not been taxed. At a meeting organised earlier this year by the American Institute, attention centred

on an Institute study whose thrust was summarised by a task force headed by Mr Stephen M. Walker of Rogoff & Youngberg, a public accounting firm based in Albuquerque, New Mexico, as a plea to 'codify and thus preserve the *status quo* on fringe benefits'.

Two out of three

In justification of this request, the study quoted three tests for tax exemption as laid down by the Treasury in a discussion draft published in September 1975. (see *The Accountant*, January 20th, 1977, 'Another Cut at Those Fringes'). Two of these tests – that the services provided are normally available as part of the employer's business, and that they can be provided at no substantial extra cost – are typified by gifts of tickets to airline employees, and are satisfied by most of the fringe benefits provided on both sides of the Atlantic. But the third test – that the benefits be offered to employees generally and without distinctions on the basis of rank – removes the status-symbol attraction of such fringes as the private use of a company car, and this no doubt helps to account for the absence of this fringe in American business. The present furore in the United States, taking this principle one step further, springs from the Carter Administration's belief that privileges denied to civil servants (the free 'three-martini lunch', for example) should also be denied to the businessman.

Taxability of fringes

While wholeheartedly accepting this philosophy, the House Ways and Means task force that has been labouring all summer has been unable to draw up a clear set of rules on the extent of the taxability of fringes. Some of the ambiguities concern working conditions. A work station in a well-lighted, air-conditioned office in a smart neighbourhood is not taxable, while use of a company-owned ski chalet is; yet there are many debatable areas between. Moreover, the value of the service provided, and hence the equivalent tax payable by the recipient, is supposed to be determined by its fair market value. But this may be quite different from its value to the employee, and may in any case be hard to determine. As an

Accountant Abroad

example of this complexity, the Congress decided, after extended debate, that the value of transportation provided in government planes for private purposes to former President Nixon should be charged to him on the basis of the cost equivalent first-class airline tickets; not the (presumably lower) cost of renting part or all of a comparable plane.

Most difficult of all are the record-keeping problems inseparable from payments in kind that are deemed to be taxable. The Service accepts that such presents as a Christmas turkey to all employees, or the once-normal Christmas party for all hands, are not taxable; but a year-end bonus clearly is. Ideally, the Service holds, a record of such in-kind benefits should be kept, so that at the end of the year a determination can be made whether or not they add up to a

significant and hence taxable total. In this case, the authorities seem happy to throw out tax simplicity for the sake of supposedly greater tax equity.

The severity of the disagreements underlying the whole matter of fringes was highlighted when, after more than a year's debate, the Treasury abruptly withdrew its discussion draft. Since that time, the sharpness of official attacks on fringes seems to have lessened. Presumably the authorities have concluded that, even under the most favourable assumptions, not much additional revenue can be raised from this source.

But the attacks have not been called off. Mr Jerome Kurtz, IRS commissioner, has firmly and publicly informed the American Institute that he rejects its plea for preservation of the *status quo*.

held up programmes in Holland, Denmark and West Germany, and is raising its head in the UK. Agreement on procedures for nuclear waste disposal and the future of Euratom, particularly in relation to the control of uranium supplies also present difficulties.

Against a background of widely different national energy policies it is difficult to see a coherent Community policy emerging.

1980 Generalised Preferences Scheme

The council is now studying the Commission's proposals for the implementation of the 1980 generalised preferences scheme for processed agricultural products and manufactures and semi-manufactures originating in the developing countries. The total value of the EEC offer will be around 9,500 million EUA (\$13,100 million) compared with 7,500 million EUA in 1979.

The 1980 scheme includes the People's Republic of China. So far as textile products are concerned, the detailed arrangements for their inclusion in the scheme will be laid down following the conclusion of the EEC-China agreement on trade in textiles.

Lords' Report on Consumer Credit

EEC proposals for harmonising consumer credit controls could result in a serious disservice for the UK consumer, according to the House of Lords, in a European Communities committee report* this states that as drafted the proposals would be unworkable and would impede the progress towards Britain's own consumer credit legislation.

The directive would involve retailers and consumers in a vast amount of additional paperwork and might result in a curtailment in the use of credit cards. The committee endorsed the aim of ensuring the minimum standard of protection for consumers throughout the EEC but in its view the proposed directive should have been confined to more

*Eighth report from the House of Lords European Communities Committee. Session 1979-80 (HL30), HMSO, London, Price £2.

Community Energy Problems

The Community has made two formal commitments on energy saving, the first at the Strasbourg summit (June 22nd-23rd) and the second at the seven nation Tokyo summit (June 27th-29th), in which Britain, France, West Germany and Italy took part. Unlike the agricultural and regional policies, energy is not covered by an EEC treaty and there is no legal obligation on the member states to agree on a common energy policy. As a result the Nine continue to haggle over such problems as excess oil refinery capacity and coal imports. Broadly speaking member governments are determined to retain national control over supply, with Britain keeping firm control over North Sea oil and gas. Widely different patterns of energy production and use further complicate the position. Even the OPEC price revolution of October 1973 failed to produce concessions on domestic policies to enable agreement to be reached on a common line of action. The sharp reduction in oil supplies from Iran in the Spring underlined the need for agreement on how to secure supplies in times of emergency. The preparation of policies for this eventually lies with the commissioner responsible for energy, Mr

Guido Brunner. Over the years it has become clear that member governments will be likely to agree to any convergence of policy only in response to pressures from outside. The commitment to restraint of demand appears to offer the best hope of co-operation. The agenda for the meeting of Community energy Ministers in October indicated the direction which the discussion is likely to take. The Tokyo summit specified a 1985 ceiling of 470 million tonnes of oil imports for the EEC. The question here is whether UK North Sea oil counts as an EEC import as the US argues, or not. The question of oil prices, particularly those for the Rotterdam spot market must be discussed but it is highly unlikely that any harmonisation of prices can be agreed. On coal, a scheme is suggested for EEC steel mills to burn Community coking coal instead of imports. This proposal has consistently been opposed by Italy which demands to be able to retain its high level of oil refinery capacity in return for reducing its imports of Polish coal. British and German coking coal would have to be subsidised to induce member countries to use them rather than cheaper imports. Further problems arise from the political opposition to nuclear energy which has

DAILY ACCOUNTANT

C.T.S. HAS FINISHED – SAY GOODBYE

It was reported in London today that CTS, the specialists in

CTS has finished development of a new range of computerised services to be made available to the Practitioner.

Say goodbye to time consuming work in your office by using the new services that are now available, and enhance not only your reputation but your profit and fee base.

* STATUTORY

A fully computerised Annual Return has been developed and is now exclusively available from CTS. This service consists of the Annual Return and a reminder that the Returns are due or overdue.

* COMMERCIAL SERVICES

Following the acquisition of the Jaguar Computer Services Group, C.T.S. is now able to offer to Practitioners, for their clients, computerised services which can be on-line, through the clients own terminal, via batch forms, or on the clients own computer installation as required. Facilities available are Stock Control, Debtor Control, Integrated Accounting, Management Reporting and Payroll etc.

* TIME RECORDING

Sophisticated or unsophisticated time recording systems are available and range from:

1. Time and work in progress reports for the small practitioner.
2. Time and work in progress reports integrated to fees ledger, for the medium-sized practice.
3. The above facilities integrated with partner and practice operating statements are invaluable to the larger Practices.

* CONSULTANCY & BUSINESS DEVELOPMENT

The experienced Accountants within the CTS Group have, by working closely with Practitioners, been able to identify the problems of Practices providing services to their clients in order to help expansion and retain them. It now provides answers on how to deal with these problems, by announcing that a new division of the CTS Group has been formed to provide consultancy, management information, cash flows and budget forecasts.

* TAXATION

A unique computerised taxation service has been developed, and the first part of this program will shortly be announced. It is perhaps the greatest aid to the over worked Tax Department since ink.

For details of these new and existing services, please contact:

Lawrence Josephs,
C.T.S. Group,
CTS House,
Masons Avenue,
Harrow,
Middx. HA3 5AH.
(Offices throughout the U.K.)
Telephone 01-863 0111

New Developments to aid the Practitioner by:



"The Specialists in Practice Automation"

CTS for Accounts Preparation, Practice Administration, Tax & Statutory Administration, Accounts & Report Finalisation and Management Services via Computer and Computer Bureau.

... By Accountants for Accountants ...



Accountant Abroad

general statements of principles. The report singles out the problems which the proposal would create for credit cards. The draft defines a 'credit agreement' in such a way as to include purchases made using a credit card. The effect would be that such transactions would have to be in writing, signed by both parties and containing details of the credit given with related charges.

Retailers accepting credit cards would have to conform to the rules laid down in the proposal on the advertising of credit facilities and the display of information on interest rates.

Talks on Spanish Membership

The full negotiating process for Spanish entry to the European Community began in Brussels on September 18th two years after Spain lodged its application to join. The negotiations were opened by Sr Leopoldo Calvo Sotelo, Spanish Minister for European Affairs, and Mr Michael O'Kennedy, the Irish Foreign Minister on behalf of the Nine. The talks are expected to take at least two years and are the most complex task to face the Community since British entry. The Spanish Government would like to complete negotiations in time for the treaty of accession to be ratified by early 1983 when new elections would be due in Spain.

The first formal negotiations began in February but were mainly a political gesture to satisfy the Spanish Government, which was anxious to provide the public with some evidence of progress on the EEC issue. Madrid's application was made in July 1977, six weeks after Spain's first democratic elections in 40 years.

Spain has asked the EEC to grant all its major economic sectors the same transition period – lasting more than five but less than ten years – in which to adjust after its entry into the Community.

This is in strict contrast to the approach favoured by the Community, which wants Spain to dismantle its trade barriers to industrial exports from the EEC almost immediately after entry, and to gain full access to the Common Agricultural Policy (CAP) and the Community's labour market over a much longer period.

Safeguards Code Holds Up GATT

The Commission has proposed to the council that the Tokyo Round of the General Agreement on Tariffs and Trade talks be formally concluded. This follows the US Congress' approval of President Carter's trade bill.

The Commission will, however, continue its efforts to secure an agreement in Geneva on a new safeguards code which the EEC would like included as part of the package. The developing countries remain strongly opposed to the EEC's demands for a change in its trade safeguard rules to permit GATT members to impose unilateral curbs selectively against individual exporters. In the past such restrictions have had to be applied indiscriminately against all exporters, whether or not they were responsible for market disruptions.

Both the UK and France have hinted that unless a revision of the safeguards clause can be negotiated, the EEC may be compelled to resort to selective trade restrictions anyway, basing itself on a unilateral interpretation of the GATT rules. Any move in this direction is certain to create a major row inside the EEC. Both West Germany and Denmark refuse to acknowledge that the current GATT rules can be interpreted to permit the use of selective safeguards.

The GATT secretariat has stated that the agreement was expected to reduce industrial tariffs by about one-third and provide concessions on nearly £15 billion of trade in agricultural products out of a global total of more than £48 billion.

Market Protection Inquiry

The Commission has set up a special committee to look at the way in which member countries are protecting their markets from competition from within the EEC through various technical barriers. According to some Commission officials national regulations which disqualify imports on technical grounds have proliferated inside the EEC in recent years to the point where they now inhibit EEC trade at a faster rate than harmonisation measures encourage it.

The committee set up by F. Braun, director-general for the internal market and industrial affairs, will consist of senior officials from member states. It is

seeking examples from manufacturers of problems in gaining access for their products across national frontiers in the EEC. The sort of barriers involved include legal restraints such as unfairly applied health and safety requirements, as well as various commercial practices.

In particular, the Commission has asked the French government for a formal explanation of its regulations requiring 'entry visas' for imports of woollen goods from other EEC countries, probably in contravention of EEC free trade rules. Britain, Italy and West Germany have complained that the practice amounts to the introduction of import licences, despite French insistence that the 'visa' is merely a means of compiling statistics of a growing trend which is worrying French manufacturers. Imports of pullovers into France from Italy increased 35 per cent in the first five months of this year.

The UK toy industry is protesting at new French regulations which are being applied to exclude many toy imports. UK manufacturers claim that on a wide range of products the French apply what is known as administrative friction – excessive documentation requirements aimed at slowing down the entry of goods and discouraging the exporter.

Advisory Committee on Taxation

One of the recommendations of the Asprey Taxation Review Committee which submitted its report to the Federal Government in January 1975 was that a standing committee should be established to review, in liaison with the Taxation Office and the Treasury, the working of the Income Tax Assessment Act, to consider suggestions from the public to amend that Act, and to assist the Government in preparing draft Bills or Green Papers. The Asprey Committee referred also to the work of a similar committee in the United Kingdom, and the advantages that had accrued to the Government as a result.

The Federal Treasurer has now announced that the Government has decided to set up an independent body to advise it on the technical aspects of taxation legislation. The composition of the committee, and its precise terms of reference, are yet to be decided.

The Shape of Companies Acts to Come

by C. W. NOBES, BA, ACCA
Lecturer in Accountancy, University of Exeter

In September the Government issued the Green Paper 'Company Accounting and Disclosure' (Cmnd 7654, *The Accountant*, September 13th). Its main purpose is to set out the Government's proposals on the reform of company law, in particular those changes which will be necessary in order to implement the EEC Fourth Directive.

The EEC Fourth Directive will have much the most important effects on accounting of any Directive so far passed or proposed. It was passed by the Council of Ministers in Brussels in July 1978, should be passed into law in each member state by July 1980 and should be in effect by January 1982. Its main concerns are the formats of published accounts, the items to be disclosed and the valuation rules to be used. This article deals with the particular way in which the British Government intends within the next year to implement the Directive by changing the company law relating to published accounts.

In preparing the Directive, the Commission faced the problem that accounting practice within the EEC was widely divergent. Broadly, the flexible 'fair-view' approach of the UK, Ireland and the Netherlands, where accounting practice is not prescribed in detail by company or tax laws, can be contrasted with the more uniform approach of France and West Germany.

The Directive's compromise might represent an improvement on any existing system, particularly as it should enable greater ease of understanding and comparison of accounts from different countries. The compromise will bring a greater emphasis on 'fairness' to Franco-German accounting, and a greater degree of uniformity of presentation to Anglo-Dutch accounting.

Formats

Thus the most obvious effects on UK published accounts will be the introduction of standardised formats for balance sheets and profit and loss accounts. The Government intends to allow companies to choose between the formats detailed in the Directive: that is, a vertical or a horizontal layout for the balance sheet, and any one of two horizontal and two vertical layouts for the profit and loss account. An example of a balance sheet based on article 10 of the Directive is shown as table A; a profit and loss account based on article 25 as table B.

The extent to which a company will be allowed to depart from these formats will depend upon its size. There are three size groups mentioned in the Directive; these are to be taken up by the Government. Another distinction brought out in the Directive which has been adopted is that between accounts

which are *drawn up* for circulation to shareholders, and accounts which are *published* and sent to the Registrar. Relaxations and exemptions are greater for the published accounts and for the smaller 'proprietary' companies.

The rather complex proposals of the Green Paper are summarised in table C; they take advantage of some but not all of the leniency allowed in the Directive. However, particularly for the profit and loss account, small companies will need to publish less than at present, though large companies will have to publish more. Small companies will also not have to publish some notes, and can omit the directors' report.

This new proposed distinction based on size will be a major innovation for UK company law. The expression 'proprietary company' will provide a useful label for small private companies. It is not yet clear whether the Government will take advantage of the option in the Directive to reduce the scope of audits for proprietary companies; if it does, a 'review' will still be necessary.

Disclosure

Part A of the Green Paper deals with some matters raised in a previous Green Paper 'The Future of Company Reports' (Cmnd 6888), based on the ASC's 'The Corporate Report' of 1975. The Government does not at present propose that there should be compulsory employment reports, value added statements, international trade statements or separate reports for employees, although experimentation by companies is encouraged. However, there will be requirements for *large* companies to produce funds flow statements and more disclosure of short-term borrowings, leasing arrangements and pension commitments.

Changes to disclosure which are necessitated by the Fourth Directive are discussed in Part B of the Green Paper. The profit and loss account has already been mentioned. Also, one of the reasons for introducing the extra disclosure mentioned above for large companies about borrowings, leasing and pensions are the requirements of the Directive. Borrowings should be split into amounts due in under one year, over five years, and in between.

Table A. Proposed UK Balance Sheet

£		£	
A	SUBSCRIBED CAPITAL CALLED BUT NOT PAID		
		xxxx	
C	FIXED ASSETS		
I	INTANGIBLE ASSETS		
	Preliminary expenses	x	
1	Cost of development	x	
2	Concessions, patents, licences, trademarks etc	x	
3	Goodwill	x	
4	Payments on account	x	
		xx	
II	TANGIBLE ASSETS		
1	Land and buildings	x	
2	Plant and equipment	x	
3	Other fixtures and fittings, tools and equipment	x	
4	Payments on account, and tangible assets in course of construction	x	
		xx	
III	INVESTMENTS		
1	Shares in group companies	x	
2	Loans to group companies	x	
3	Participating interests	x	
4	Loans to undertakings with which the company is linked by virtue of participating interests	x	
5	Investments held as fixed assets	x	
6	Other loans	x	
7	Own shares	x	
		xx	xxxx
D	CURRENT ASSETS		
I	STOCKS		
1	Raw materials and consumables	x	
2	Work in progress	x	
3	Finished goods and goods for resale	x	
4	Payments on account	x	
		xx	
II	DEBTORS*		
1	Trade debtors	x	
2	Amounts owed by group companies	x	
3	Amounts owed by undertakings with which the company is linked by virtue of participating interests	x	
4	Other debtors	x	
5	Subscribed capital called but not paid	x	
6	Prepayments and accrued income	x	
		xx	
III	INVESTMENTS		
1	Shares in group companies	x	
2	Own shares	x	
3	Other investments	x	
		xx	
IV	Cash at bank and in hand	xx	
E	PREPAYMENTS AND ACCRUED INCOME		xx
			xxx**
F	CREDITORS: AMOUNTS BECOMING DUE AND PAYABLE WITHIN ONE YEAR		
1	Debenture loans, showing convertible loans separately	(x)	
2	Bank loans and overdrafts	(x)	
3	Payments received on account of orders	(x)	
4	Trade creditors	(x)	
5	Bills of exchange payable	(x)	
6	Amounts owed to group companies	(x)	
7	Amounts owed to undertakings with which the company is linked by virtue of participating interests	(x)	
8	Other creditors, including tax and social security	(x)	
9	Accruals and deferred income	(x)	
		(xx)	
G	NET CURRENT ASSETS/LIABILITIES		xxx***
H	TOTAL ASSETS LESS CURRENT LIABILITIES		xxxx
I	CREDITORS: AMOUNTS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR		
1	Debenture loans, showing convertible loans separately	(x)	
2	Bank loans and overdrafts	(x)	
3	Payments received on account of orders	(x)	
4	Trade creditors	(x)	
5	Bills of exchange payable	(x)	
6	Amounts owed to group companies	(x)	
7	Amounts owed to undertakings with which the company is linked by virtue of participating interests	(x)	
8	Other creditors, including tax and social security	(x)	
9	Accruals and deferred income	(x)	
		(xxx)	
J	PROVISIONS FOR LIABILITIES AND CHARGES		
1	Provisions for pensions and similar obligations	(x)	
2	Provisions for taxation, including deferred tax	(x)	
3	Other provisions	(x)	
		(xxx)	
K	ACCRAUALS AND DEFERRED INCOME		(xxx)
			£xxx
L	CAPITAL AND RESERVES		
I	SUBSCRIBED CAPITAL CALLED UP (of which £ has been paid up)		x
II	SHARE PREMIUM ACCOUNT		x
III	REVALUATION RESERVE		x
IV	RESERVES		x
1	Capital Redemption Reserve Fund	x	
3	Reserves provided for by the Articles of Association	x	
4	Other reserves	x	x
V	PROFIT (LOSS) BROUGHT FORWARD		x
VI	PROFIT (LOSS) FOR THE FINANCIAL YEAR		x
			£xxx

* Amount due in less than one year and more than one year to be shown separately in respect of each heading.

** Total current assets.

*** Current assets less creditors becoming due and payable within one year.

Source: *Company Accounting and Disclosure*, Chapter III.

Qualifications?

Let the experts help you to success

The School of Accountancy have been specialising in preparing candidates for examinations for 65 years. You can benefit from this wealth of experience – either to make sure of success in ACA Exams if you are a student – or to add a second string to your bow if you have already qualified.

ACA Examinations

We are in a unique position to give you the best help available. You will enter your examinations completely prepared and confident of adding to the 30,000 Chartered Accountants that SOA has helped to success.

Institute of Accounting Staff Examinations

We have courses available now for this important new qualification – sponsored by the Association of Certified Accountants for junior and technician staff in offices of practising accountants, commerce, industry or government.

Further Qualifications

A second qualification to add to your ACA will give you even better career prospects. SOA offers highly successful courses for all leading examinations, including ACMA, ACCA, etc.

An ATII will be of great benefit if your special interest is taxation – but the examination of the Institute of Taxation sets a demanding standard. SOA students consistently score success thanks to the clear, comprehensive and up-to-date course material.

Your SOA Course

Whichever course suits your objectives, you will receive personal tuition from experts – backed by concise material which is clearly presented and easy to assimilate. You will be able to study at home – at whatever time and pace suits you best. And you will be on your way to success – like thousands of other SOA students!

POST THE COUPON TODAY FOR FULL DETAILS



**The School of Accountancy
& Business Studies** EST. 1910

The School of Accountancy & Business Studies,
Dept M754 or Dept M754
Intertext House, Intertext House,
Stewarts Road, 341 Argyle Street,
London SW8 4UJ. Glasgow G2 8LW.
Tel. 01-622 9911. Tel. 041-221 2926
or Dept M754 Fox House 37 College Green Dublin Tel 712454
Please send me full details, without obligation, about your courses for:

Name

Address

*Accredited by the Council for the Accreditation of Correspondence Colleges,
Member of the Association of British Correspondence Colleges.*

Money for Private Company Shareholders

Charterhouse Development buys minority shareholdings in private companies.

For over 40 years we have been helping shareholders who wish to raise some money by selling a minority interest in their company.

We act quickly

- in our initial assessment of the business and its value.
- in outlining proposals which let you and your client know where you stand.

If you would like to know more about us, telephone 01-248 3999 and ask for John Bowman, Director.



CHARTERHOUSE

Charterhouse Development Limited,
1 Paternoster Row, St. Pauls,
London EC4M 7DH

A member of The Charterhouse Group

Table B. Proposed UK Profit and Loss Account

	£	£
1 Turnover		xxx
2 Cost of sales		(xxx)
		—
3 Gross profit/loss		xxx
4 Distribution costs		(xxx)
5 Administrative expenses		(xxx)
6 Other operating income		xxx
		—
— Operating profit/loss		xxx
7 Dividend from subsidiaries	x	
7 Dividends from participating interests	x	
	—	—
	xx	
8 Interest on loans to group companies	x	
8 Interest on other loans	x	
	—	—
	xx	
10 Amounts written off investments		(xxx)
11 Interest payable to group companies	(x)	
11 Other interest payable	(x)	(xxx)
	—	—
— Profit/loss before tax		xxx
12 Corporation Tax		(xxx)
		—
13 Profit/loss after tax		xxx
14 Extraordinary income	x	
17 Less: tax thereon	(x)	xxx
	—	—
19 Profit/loss for the year		£xxx

Source: *Company Accounting and Disclosure*, Chapter III.

Another requirement is that turnover should be disaggregated by class of business and geographical area; this disaggregation will be in the notes, and therefore subject to audit. These matters are discussed in sections (v)–(vii) of Chapter VI. Chapter VII proposes some minor amendments to the information provided in directors' reports. In some cases, these new requirements will not apply to medium or small companies.

Valuation rules

The accounting principles of going concern, accruals, consistency and prudence as found in SSAP 2 will need to be brought into law to satisfy the Directive. Further, the general principle of valuation will be historical cost. These requirements should not affect UK accounting practice.

Table C. Green Paper's Publication Proposals

	Large	Medium	Small 'Proprietary'
1 Definitions. 2 out of 3 size criteria to apply	All listed. Others with: Turnover £5m B.S. £2.5m Employees 250	All public not large All private not small	Turnover £1.3m B.S. £0.65m Employees 50
2 Balance sheet drawn up for shareholders	May show Arabic numeral headings in Notes	May show Arabic numeral headings in Notes	May omit some Arabic numeral headings
3 Balance sheet published	As above	As above	May omit Arabic numeral headings
4 Profit and loss account drawn up for shareholders	Flexible arrangement	Flexible arrangement	Possibly combine 1–5 in Table B.
5 Profit and loss account published	As above	As above, and possibly combine 1–5 in Table B.	Exempt

There are, however, some requirements on the valuation of intangible assets which may lead to changes. Any capitalised development expenditure will have to be written off over five years unless it relates to projects with long periods of development; in practice, the latter applies to most UK companies which capitalise R & D. Goodwill (other than arising on consolidation) will have to be written off over its 'economic life', probably limited to perhaps 20 or 40 years. As for current assets, the 'lower of cost or market' rule will be written into law.

Historical cost information

Disagreement about the Directive's stance on inflation accounting caused considerable delay in its adoption. The West German government, in particular, was strongly opposed to any form of inflation accounting being required, or even allowed as supplementary information, and has already announced that it does not intend to take the option, which the Directive eventually contained in article 33, to present inflation-adjusted information as long as historical cost information is also available. The British Government announces its intention in the Green Paper to allow companies to continue to revalue assets selectively, and to use CCA as a basis for main or supplementary accounts.

The Green Paper proposes that companies shall have the maximum flexibility allowed by the Fourth Directive. This is evidenced, for example, by the freedom to choose between the formats offered in the Directive and by the inflation accounting options to be allowed. Naturally, where member states are allowed to make choices, the British Government will tend to opt for existing UK practice.

For these two reasons, UK accounting practice seems likely to be adjusted in a few areas rather than completely revolutionised. As has been said, if the Green Paper is enacted, the most obvious effects will be caused by the introduction of standardised formats for accounts, extra disclosure requirements in the profit and loss account, and a new size-based classification of companies.

The effects on the accounting in other EEC countries are likely to be more considerable. The emphasis on 'fairness' should materially affect accounting in all EEC countries except the UK, Ireland and the Netherlands. Disclosure will be greatly increased in Italy and in Luxembourg.

Harmonisation

The coverage of the Fourth Directive is most obviously incomplete in the area of consolidation. There are some mentions of it in the Green Paper, but harmonisation in this area will have to await implementation of the draft Seventh Directive. It is unlikely that UK practice will be seriously affected, except perhaps that the basis of the definition of a subsidiary may move from 'ownership' to 'control'.

In general, British readers of accounts might reasonably welcome the proposed rules on formats and disclosure. Some of them will be greatly assisted if the overall effect of the Directive is to successfully harmonise accounting rules and presentation for all EEC companies.

However, it remains to be seen to what extent accounting will retain its different nature in different countries. The most obvious area where the flexibility allowed by the Directive may seriously damage the chances of effective harmonisation is inflation accounting.

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

PARTNER DESIGNATE. WEST END c. £10,000

Small established Practice are seeking the above. Ideally someone with a large Firm background wishing to grow with the Firm.

AUDIT SUPERVISOR. CENTRAL c. £8,000

Medium/Large Firm are seeking the above. Ideally someone who is wishing to grow within this splendid Firm.

AUDIT SENIOR. WEST END c. £8,500
Medium Firm are seeking the above. Ideally someone with larger type of background. Excellent Firm with first-class Partners.

AUDIT SENIOR. CENTRAL c. £8,000
Medium Firm are seeking the above. Must have first-class background and the ability to deal with Clients in situ.

ASSIST MANAGER SMALL AUDITS. CITY to £8,000
Medium Firm are seeking someone for the above position. Ideally someone who is wishing to make a career in Small work.

N.Q.A.C.A. CITY c. £7,500
Medium Firm are seeking a Newly Qualified. Ideally with a good exam record who is seeking a long-term career with prospects.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

3 Partner Firm
London W9

Require Senior Audit
Staff

Write

The Staff Partner
Stone Joseph & Co
397 Harrow Road
London W9 3NP

STOPPED SWOTTING? START SHOPPING

for a better job now!

NEWLY QUALIFIED
Profession up to £7,500
Commerce up to £8,000

PEII (FAILED)

Try again - earning £6,000 + courses + study leave. For details of jobs ranging from £4,000-£10,000 contact us now!

Blessed & Co

1 NEW BURLINGTON ST, LONDON W1

01-734 5156

Weybridge

Chartered Accountants

require audit seniors, not necessarily qualified, salary up to £7,000 per annum and semi-seniors, salary up to £5,500 per annum.

Please write with brief details to Firth Floyd, The Centre, 50-68 High Street, Weybridge, Surrey KT13 8BN or telephone Weybridge 51317.

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act.
Our service to applicants is personal, confidential and free

INDUSTRY • PRACTICE

INDUSTRY • PRACTICE

COMMERCE • PRACTICE • INDUSTRY • COMMERCE

Reading Chartered Accountants seek

lively young qualified persons to act as personal assistants to senior partners at both the Reading and Basingstoke offices of their long-established busy general practice. Excellent opportunities for the right men or women. Usual terms of employment. Salary by negotiation.

Please write in the first instance to the Staff Partner, **Ernest Francis and Son, Somerset House, Blagrove Street, Reading, Berkshire**, giving full details of education and experience to date.

TAX PARTNER (DESIGNATE) C. LONDON £13,000

Tax Partner of Twenty partner firm requires a Tax Manager with well-rounded experience to enhance and control the services of the department.

POTENTIAL PARTNER C. LONDON £12,500 + car

Three partner firm needs an enthusiastic Manager to contribute a professional service to clients mainly in service industries and professions.

AUDIT MANAGER WEST END £11,000 + car

Eleven Partner London practice seeks an energetic ACA (male or female) to control a portfolio of larger clients. Partnership prospects are available.

PA TO PARTNER C. LONDON £10,000

Senior Partner of five partner firm seeks an ACA as a genuine assistant. Definite early prospect of partnership.

MANAGER CITY £10,000

Medium sized practice requires experienced Manager to control the Small Clients department.

PA TO PARTNER C. LONDON £9,000

Twenty Partner firm seeks a Personal Assistant for a Partner in one of the Groups (Audit and Accountancy). Special Investigations are part of the overall specification.

ASSISTANT MANAGER CITY £8,750 +

Expanding Nine partner practice needs a young ACA eager for involvement, responsibility and promotion to Manager within the short term.

PA TO PARTNERS CITY & WEST END To £8,500

AUDIT SENIORS To £8,000

NEWLY QUALIFIED To £7,500

FINALISTS c £6,000

Contact John R. Ellis, FCA on 01-405 3499

Lloyd Management
Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499



Topcare

Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

TAX

TAX PARTNER (DESIGNATE)

£10,000+
Very early partnership prospects for A.C.A. with some specialist tax experience.

MANAGER, WC2 to £9,500
Substantial practice can offer a very interesting and challenging post to someone with good personal tax knowledge.

TAX/TRUST MANAGER, EC2

c. £9,500
Large International firm seeks someone well versed in Personal Tax and Trust work. Preferably but not necessarily A.T.I.I.

SENIOR/MANAGER, W1 c. £7,000
Our clients are a small firm in Baker Street with very 'high class' personal tax work.

ASST MANAGER, EC2 £7,000+
Medium/large firm require someone who has been dealing with personal tax for a number of years.

ASST MANAGER, EC4 to £9,500
It is necessary to have had some company tax specialisation for this position which is with a medium/large firm.

SENIOR, EC4 to £6,500
Someone with five years' experience of personal tax is sought by large Trust Company. Mortgage assistance. Flexi-hours.

NEWLY QUALIFIED, EC2 £7,000+
Medium-sized practice has an interesting post which would be very suitable for a recently qualified A.C.A./A.C.C.A. wishing to specialise in tax.

SENIOR, EC2 to £7,000
Excellent future prospects exist with this very substantial congenial City practice.

NEWLY QUALIFIED, WC2 c. £6,800
Excellent training in U.K. and International tax and the opportunity for tax consultancy is offered by this International firm.

SENIOR, WC2 to £9,600
An A.C.A. with at least one year's post-qualifying tax experience is sought by this International firm.

TAX/TRUST SENIOR, WC1 £6,500
Every opportunity and encouragement will be given by this medium-sized firm to a competent person with previous profession office experience.

SENIOR, W1 c. £7,500
Professional office experience essential. Very friendly medium-sized practice.

AUDIT

P.A. TO PARTNER, EC2 £9,500+
A qualified A.C.A. is sought by this small/medium-sized firm who can offer partnership prospects to the selected candidate.

MANAGER, EC4 c. £9,500
An A.C.A. wishing to specialise is sought by this substantial City firm. Excellent prospects.

MANAGER, WC1 c. £9,000
Previous managerial experience is necessary for this post which is with an expanding firm of medium size.

P.A. TO PARTNER, W1 to £8,500+car
Preference will be given to someone who has been employed by a medium-sized firm.

ASST MANAGER, EC2 to £9,000
Due to an amalgamation this medium-sized firm seek a well experienced Senior person to deal with a very wide variety of audits.

PARTNER (DESIGNATE), W1 £GOOD
Definite partnership prospects in the near future exist with this small but very go-ahead practice.

PARTNERSHIP PROSPECTS, W1

£Negotiable
Very suitable post for a young ambitious recently qualified A.C.A.

NEWLY QUALIFIED, W1 c. £7,500
Excellent opportunity for a newly qualified Audit Senior. Small friendly firm.

SUPERVISOR, WC1 £8,000+
This medium-sized practice seeks a well experienced Audit Supervisor. Preferably but not necessarily qualified.

OFFICE MANAGER, W1 £6,500
Very good opportunity for someone with previous professional office experience to join medium-sized practice.

P.A. TO PARTNER, WC1 £8,000+
Suitable post for A.C.A. with two years' post-qualification experience.

TRUST STAFF

ASST MANAGER, EC2 to £7,000
Very large International firm requires lady/gentleman with good trust experience.

SENIOR, EC2 to £7,000
Previous professional office experience essential. Large firm.

SENIOR, WC1 c. £6,500
Good knowledge of trust accounting and personal tax required for this post.

PROVINCIAL

AUDIT STAFF

Aldershot - Trainee A.C.A./A.C.C.A.
Aylesbury - Semi-Senior to £5,000
Bexhill - NQ A.C.A. to £8,000
Bromley - A.C.A. P/ship Prospects - to £9,000
Camberley - Trainee Acct - c. £3,000
Eastbourne - NQ A.C.A. - £8,000
East Grinstead - Manager - c. £6,000
Farnham - Trainee Acct - c. £3,000
Farnham - All-levels - £NEG
Harrow - Audit Senior - c. £6,500
Ipswich - Audit Spvrs - to £8,000
Ipswich - Semi-seniors - to £6,000
Lewes - NQ A.C.A. - to £8,000
Mitcham - Senior - £NEG
Newbury - P.A. to Partner - £6,000 +
Northampton - Audit Senior - to £7,000
Norwich - Semi-seniors/Seniors - £NEG
Oxford - Senior. P/ship to £8,000
Reading - P.A. to partner to £9,000
Rye - P.A. to partner. P/ship - c. £8,500
Salisbury - P.A. to Ptn. P/ship - £NEG
Sidecup - Trainee Acct - c. £3,000
Southampton - Accounts Assist. - £NEG
Southend - P.A. to Ptn - c. £7,000
Surbiton - P.A. P/ship - £8,000 +
Sutton - Trainee Acct - £NEG
Sutton - Semi-senior - c. £4,500
Watford - P.A. to Ptn - c. £6,500
Wembley - NQ A.C.A. - £6,500 + car
Weybridge - Audit Senior - to £9,000
Woking - Trainee Acct - c. £3,000
Yeovil - NQ A.C.A. - £6,000

TAXATION STAFF

Birmingham - Corporate Tax - c. £6,500
Birmingham - Personal Tax - £5,500 +
Bradford - Personal Tax - c. £6,000
Croydon - Personal Tax - £NEG
Esher - Personal Tax Assist - £NEG
Harrow - Corp Tax Assist - c. £6,500
Hertford - Personal Tax to £7,000
Hexham - Personal Tax - £6,000 +
High Wycombe - Tax Spvrs to £8,000
Ilford - Personal Tax - £NEG
Maidstone - Tax Mngr - £HIGH
Manchester - Personal Tax - c. £6,000
Newcastle - Corporate Tax - £6,000 +
Portsmouth - Corporate Tax - £NEG
Portsmouth - Personal Tax - £5,500 +
Preston - Personal Tax to £6,000
Richmond - Personal Tax to £7,000
Sidecup - Personal Tax - c. £4,500
Southampton - Tax Asst - £NEG
Thornton Heath - Personal Tax to £8,500

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

TAX CONSULTANT CORNWALL

Our South-West Tax Department has a vacancy for a tax consultant. Previous tax experience, although not necessarily as a consultant, is essential. The work will have a personal tax bias, but keenness and willingness to undertake work on any form of taxation is required.

At least two years' post-qualifying experience is required.

Salary dependent upon experience, etc.

Applications to J. W. Beck.



Peat, Marwick, Mitchell & Co.
Provincial House
Victoria Square
Truro, Cornwall

Ingram Recruitment

PARTNER DESIGNATE. W1 £9,000-£11,000

Partnership in 1-2 years - P.A./Manager post involving audit of medium sized companies + general practice work. Progressive 5 partner practice.

P.A. to PARTNER. W1 £8,250+

Excellent position for young A.C.A. able to take responsibility from partners. Lots of client contact, tax and General practice work - no audit. Previous P.A. just made partner number 7 - client range from Large Public down.

TOP '8' AUDIT FODDER?

If you are now considering moving from a top 8 firm we have several clients that will interest you. Broaden your experience - salaries £7,000-£10,000.

Contact Brian Ingram on

01-458 5313

26 Spencer Drive, London N2 0QX

AUDIT MANAGER

Up to £14,000

We are a medium-sized City of London firm, whose work covers a wide range, from audit, corporate tax, day to day accountancy advice to special assignments and investigations.

We require a capable audit manager who believes his experience and potential will contribute to our continuing growth and his personal achievement and job satisfaction.

Please write giving career and personal details to Box AM 30839.

If there are any firms to whom you do not wish your application to be forwarded, please see details of confidential reply service on page 12.

Chartered Accountants (3-partners) Edgware

require two senior P.A.s to Partners. Direct responsibility for audit control in varied and interesting practice. Experience of modern auditing techniques essential. Rewarding position with excellent future to successful applicants. Please apply giving full details to the

**Staff Partner
Gordon Kanter & Co
158 Station Road
Edgware
Middlesex**

Chartered Accountants

CROYDON

Croydon office of expanding firm of chartered accountants require newly/recently qualified staff.

Interesting and varied experience available with excellent prospects of increased responsibility. Salary dependent on experience, but not less than £6,000.

Write with brief details to **Staff Partners, Wright Stevens & Lloyd, Davis House, 69-77 High Street, Croydon CR9 2RE.**

WATFORD

CHARTERED ACCOUNTANTS

require

Newly Qualified Accountant Circa £6,500 p.a.

Are you either a recently qualified Chartered Accountant or a high calibre PEII finalist with ambition and enthusiasm, if so you may be considering a move to broaden your technical experience and outlook. We are a friendly medium-sized practice who require a personal assistant for our audit partner designate. Your duties will involve you substantially on the larger audits, together with a limited amount of staff training. A certain amount of travelling will be necessary to our London office.

We have our own in-house computer system and you will be expected to develop clients' management information reports, utilising the computer facilities.

If you feel that you can accept the challenge we are offering your efforts will not go unrewarded. Replies should be addressed to:

**The Staff Partner
Chantrey Button, Bone & Co
Monmouth House, 87 The Parade, Watford, Herts
or telephone Watford 25251**

PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

AN ABLE SENIOR, qualified or unqualified specialising in tax, required by chartered accountants, London NW6 to deal with a variety of substantial matters on his own initiative including the correspondence. Attractive salary with definite partnerships prospects if qualified. - Write Box AA 2940.

A LONDON W1 firm of accountants, superbly situated attractive spacious offices, are looking for a young chartered accountant to join them for a preliminary working period prior to partnership. - Write Box AL 2954.

... and if you are a competent senior who wishes to work in a small firm, London NW6 (staff eight) on larger jobs including the tax at a good salary with excellent prospects. - Write Box AI 2955.

A RAPIDLY expanding West End practice require semi-senior clerks with sound basic training. It is envisaged that successful applicants will rapidly enhance their career development and assume responsibilities commensurate with their ability. - Salary dependent on age and experience Box AR 2971.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agy).

BROMLEY FIRM of chartered accountants require audit clerk. - Telephone 01-300 6109.

CERTIFIED ACCOUNTANTS require a senior for their offices in Welling, Kent. - Phone 01-300 6109.

CHARTERED ACCOUNTANTS in EC2. Small but busy firm require able semi senior to undertake audit, accountancy and taxation work. Salary negotiable. - Telephone 01-588 1184 Mr Dack.

CHARTERED ACCOUNTANTS require a senior for their offices in Welling, Kent. - Phone 01-300 6109.

CHARTERED ACCOUNTANTS, LEICESTER, require a personal assistant to the partners with experience of incomplete records and personal taxation. The applicant must be prepared to work with a minimum of supervision and to deal directly with clients. Salary, commensurate with age and experience. - Box CA 2933.

CHARTERED ACCOUNTANTS returning from overseas immediate opportunities in Avon, Berks, Somerset and Sussex. - Contact Wessex Consultants, 2 St Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

CLERKS REQUIRED by Finchley firm of accountants. - Please apply Box CR 2910.

EXPERIENCED SEMI-SENIORS required by London W1 firm of chartered accountants. Transfers of articles considered. Salary negotiable according to ability and experience. - Telephone 01-636 9376.

MANAGER up to £12,000

Are you DISSATISFIED with large company audits but APPREHENSIVE about the low rewards that often come from dealing with the smaller client?

We are a medium-sized firm in the City of London.

Our 'average' client is a privately owned company with staff of from 10 to 50, is growing very rapidly, and is (usually) very profitable. Our work covers the whole area of accountancy service, from auditing and tax advice on the one hand, to advice on day to day accounting on the other.

We are looking for a Manager who has good general experience but values more than anything else, the opportunity to give clients a personal service. We have grown very rapidly in recent years by doing just that, and we promise the successful candidate a good reward, both in terms of remuneration and job satisfaction.

Please write giving details about yourself to Box MU 30840.

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * BOOK-KEEPERS
- * ACCOUNTS CLERKS
- * WAGES CLERKS
- * MACHINE OPERATORS

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

PROVINCIAL OFFICES

SOUTH YORKSHIRE — Partnership Prospects — **£6,000**
SHEFFIELD — A.C.A. International Firm — **to £6,500**
Ring Sheffield office: (0742) 738775

CHESHIRE **£7,500**
— Partnership, Developing Smaller Practice Offers Early Prospects —

MANCHESTER **£6,000**

— Newly Qual, Top International Offers Full Training —
MANCHESTER **£4,000**
— Semi-Senior, Friendly Established Local Practice —
Ring Manchester office: (061) 834 9733

KETTERING — Small Jobs Manager — **£8,000+Car**
LEICESTER — Audit Supervisor — **£7,000**
NORTHAMPTON — Recently Qual. — **£7,000+Car**
LEICESTER — Newly Qual. — **£6,250**
LEICESTER — Personal Tax — **£6,000**
LEICESTER — Unqual Senior — **£6,000**
Ring Leicester office: (0533) 542693

NOTTINGHAM **£6,500**
— Partner's Assistant, Recently Qual. C.A./C.C.A., Medium Sized Practice —

DERBY — Audit Supervisor, Excellent Training — **£6,500**
LINCOLNSHIRE **to £6,500**

— Part & Qual. for Professional Practices —
LINCOLNSHIRE **to £5,500**

— Taxation Assistants & T.O.H.G. —
NOTTINGHAM **to £7,200**
— Recently Qual. Opportunity in Training, International Practice —
Ring Nottingham office: (0602) 582939

WEST GLAMORGAN **£A.A.E.**
— Experienced Senior, Thriving Practice —

NEWPORT, GWENT **c. £5,250**
— P.A. to Partner, Private Firm —

SOUTH GLAMORGAN **c. £5,650**
— Young Recently Qual. Partnership Prospects, Rural Practice —

CARDIFF/NEWPORT **£Above Market**
— Newly Qual/Finalist, International Firm —
Ring Cardiff office: (0222) 371446

CENTRAL BIRMINGHAM **c. £7,200**
— P.A. to Partner, International Firm —

COVENTRY **c. £6,700**
— Supervising Seniors, Substantial Firm —

BIRMINGHAM **£Good Rates**
— Temp. Seniors & Semi-Seniors, Plenty of Work —
Ring Birmingham office: (021) 643 6201

WEST YORKSHIRE — Audit Manager **to £8,000+Car**
LEEDS **c. £Top Rates**

— Temporary Audit Staff, up to 6 months —
WAKEFIELD — P.A. to Partner — **to £5,800**
WEST YORKSHIRE — Young C.A.'s/Finalists — **to £6,500**

Ring Leeds office: (0523) 38384

Accountancy Personnel
Recruitment Specialists
to the Profession

CHELSEA CHARTERED ACCOUNTANTS require (a) qualified assistant to partner, (b) trainees, graduate or non graduate. Small firm but with extensive range of cases and experience. Salary by arrangement. - Please write with details of career to date etc. to Gale & Partners, Midland Bank Chambers, 44 Fulham Road, Chelsea, London SW3 6HQ.

ARTFORD FIRM of accountants are asking a junior audit clerk. - Telephone -300 6109.

AST LONDON chartered accountants are to continuing expansion now require an additional partner excellent prospects for a right candidate. - Please reply Box EL 75.

NCHLEY PRACTICE wants 3 semi-juniors - minimum two years' experience, good training on audit, tax and accountancy - competitive salaries paid. - Ian Ingram Associates, 01-458 5313.

IGH SALARY will be paid by a small firm of C.A.'s in NW London to a competent senior who specialises in tax. - Reply Box HS 2976.

JUNIOR AND SEMI SENIOR audit staff required by a four partner firm of Islington accountants. Salaries are negotiable according to age and experience. - Please telephone Mr Ellahee at 01-837 6301.

LIVERPOOL CHARTERED FIRM require senior for growing practice covering a wide range of work and providing excellent opportunities for acquiring experience and responsibility. The successful applicant is likely to be newly (or nearly) qualified to have had experience of small audit/accounts preparation work and be keen to progress. - Box LC 2911.

ACCOUNTING

Small West End Chartered firm requires an audit semi-senior. The work involves preparing accounts including auditing your own work. Good experience is the main qualification needed.

Initial salary *circa* £4,500.

Applications giving brief details in your own handwriting to:

Smee Moore & Co
50 Monmouth Street
London WC2H 9ES

AUDIT SENIORS

Up to £8,000

- LONDON -

We require qualified accountants to work on a variety of audit assignments from our City office.

We offer in addition to an above average salary, LVs, season ticket loan scheme and continuous training for career development in an expanding firm, and ample scope for specialisation in a number of areas.

Please write giving full details of c.v. to Box AS 30838.

If there are any firms to which you do not wish your application to be sent please see page 12 for confidential reply service.

MANAGER FOR HAMPSHIRE COUNTY town office of practising accountants, well experienced in farms, incomplete records and private company clients. C. £6,000. - Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

MANAGER FOR SOMERSET chartered accountants. Small expanding office. Direct responsibilities for clients and staff. Young A.C.A. or well experienced person. C. £6,500. - Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

MEDIUM FIRM of chartered accountants require (1) Seniors, qualified or unqualified. (2) Tax senior, qualified or unqualified. Good working conditions. Salary according to age and experience. - Telephone Mr J. Mehta, 01-248 6724.

NORTH LONDON. - Permanent position for a semi-senior/senior accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. - Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

PERSONAL TAX SENIOR

required by 3-Partner North London Chartered Accountants to organise and develop tax department. Experienced with good general working knowledge of income and capital gains taxes. Direct contact with clients. Plans to increase and develop existing cases. Salary £6,750+. - Please write with C.V. to Howard Wade & Jacob, 13 Bruce Grove, London N17.

AMERSHAM

CHARTERED ACCOUNTANTS

seek qualified audit seniors. Salary according to experience, but in the region of £8,000 p.a. - **J. R. Antoine and Partners, 75 Rickmansworth Road, Amersham, Bucks. Tel: Amersham 22726.**

SENIOR AUDIT ASSISTANTS

A rapidly expanding City firm has vacancies for capable and energetic seniors who wish to broaden their outlook and experience.

The successful applicants will have the opportunity of involvement on a wide range of jobs and the extent of client contact demands personality as well as technical ability.

There are excellent prospects for rapid advancement and because we seek better than average staff we are prepared to pay better than average salaries.

For early interview please contact Goodman Lawrence & Co, Temple Chambers, Temple Avenue London EC4Y 0BB (telephone 01-353 9926).

PERSONAL TAXATION Small Business/Company Accounts

SENIOR/MANAGER EXCELLENT PROSPECTS

Rapidly expanding firm of Chartered Accountants, two minutes Charing Cross.

Qualification preferred but not essential.

£6,000-£8,500

Box PT 7153

PROSPECTIVE PARTNER. - This expanding two-partner firm with a wide range of work needs an A.C.A. with good all-round experience to accept responsibility for a block of clients. There are excellent prospects of advancement which should lead to partnership for the right candidate. - Please send full personal and career details to Brough Postlethwaite & Co, 11-13 Thorne Road, Doncaster.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6397.

RETIRED PERSON wanted one day mid-week to produce profit and loss accounts from incomplete records. £2.50 per hour approx. - Wembley Box RP 2978.

ROMFORD. - Chartered accountants require experienced, full- or part-time audit, accounts and tax staff. - Full details of experience and age to Box RC 6404.

SENIOR AND SEMI-SENIOR audit staff required by West End chartered accountants. Top salaries offered. - Box SA 2958.

SENIOR AND SEMI SENIOR clerks required by chartered accountants in City, near Liverpool St. - Tel. 01-247 9853.

SENIOR AND SEMI-SENIOR AUDIT STAFF urgently required by West End chartered accountants. Interesting and varied work in friendly and expanding practice. Good salary and training offered. - Write Box SA 2961.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

SOUTH-WEST LONDON firm of accountants seek seniors/semi-seniors. Experienced in the preparation of accounts and small to medium audits. Salaries negotiable. - Tel. 01-870 4309 or 01-870 7894.

TAX MANAGER wanted by five partner firm of chartered accountants with offices in mid-Kent. Applicants must have a proven ability in dealing with both corporate and personal taxes and be seeking a high level of responsibility within the firm. This is a senior position with increasing opportunities for client advisory work and a salary will be negotiable at a level appropriate to the responsibility involved. For further details please contact the Staff Partner, Kingsford Garland & Co, 72 Bank Street, Maidstone. - Tel. Maidstone 51809.

TAX. - A senior required by C.A.s, London NW, at a good salary wishing to specialise and/or take charge of a small tax department with several substantial cases. Definite partnership prospects if qualified. - Write Box TA 2942.

THREE-PARTNER FIRM C.A.s, London W1, require unqualified senior assistant, to work in a friendly and expanding young practice. - Box TP 2959.

UNIQUE OPPORTUNITY to keep chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. - 01-405 4457.

YOUNG CHARTERED

ACCOUNTANT required to join a progressive practice in a delightful area of the country. Excellent further all round experience will be gained particularly with the smaller business enterprise. This will include audit, taxation and a close involvement with clients and partners. Assistance will be given with removal expenses where appropriate.

The firm is a founder member of the 'Offa Group' - an association of Independent Firms of Chartered Accountants which is arranging various training courses and other activities.

Please write with full details of experience and salary to date to Elton P. Edwards, FCA, Little & Co, 16 St Owens Street, Hereford.

£7,500 p.a. IS OFFERED to a competent senior to handle tax and accounts in a small firm of C.A.s, London North West. - Please apply Box LS 2941.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. - Write Box AC 2923.

ARTICLES/TRANSFERS from £3,250. - Pembroke & Pembroke operate a national service. - Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CERTIFIED STUDENT required for practice in Euston, London. Good all round training given. Progressive salary. - Write Box CS 2924.

WEST END CHARTERED ACCOUNTANTS seek articles clerk to work under direct supervision of partners. Transferee considered. - Please write with full details to Box WE 2980.

WEST END CHARTERED ACCOUNTANTS urgently require articled clerks. Thorough training and good progressive salary. - Write Box WE 2962.

SALARIES AND LOCATIONS

Advertisers are invited to state in their advertisements the approximate salary range that they are prepared to give or require, and also their geographical location.

This will greatly assist those who propose answering advertisements and possibly avoid much unnecessary correspondence between advertisers and applicants.

GABRIEL DUFFY (CONSULTANCY)

Evenings/weekends Slough 46539

29 Thurloe Street
London SW7 2LQ
01-581 0895

AUDIT MANAGER EC2

c. £11,000

Audit and general practice. Experience of multiple retailers essential. A.C.A., possible partnership prospects in medium-sized firm. Similar post W.C.1.

OFFICE MANAGER & COMPANY SECRETARY W1

c. £6,000

Age to 45. Competent, experienced persons familiar with accounts and the internal administration of a practitioner's office.

NEWLY QUALIFIED WC1

£7,000

Medium-sized practice with offices throughout the Midlands and South seeks Audit Seniors for quoted companies and small businesses. Excellent career development training.

AUDIT MANAGER EC1

to £10,500

Medium-sized practice, reporting to one partner. Audit orientated but tax and other functions involved. Possible partnership medium term. Similar post W.1.

P.A.s to PARTNERS SW1 & EC1

c. £8,000

General Practice and audit of medium-sized companies. Both progressive firms offering good prospects of partnership in the medium term.

AUDIT SUPERVISOR WC1

£8,000

2 years' P.Q.E. or several years' professional experience. Technical competence and good personality essential. Wide range of clients throughout U.K. Medium-sized firm.

P.A. TO PARTNER

WEMBLEY

£7,000-£10,000+ - dependent on qualifications and degree of experience. General practice work; good partnership prospects.

TAX SPECIALISATION A.C.A.s/PE2s

To £7,500

Full training given to A.C.A.s without previous tax experience. We can arrange a programme of suitable interviews.

INSOLVENCY

BEDFORD

£5,500-£7,000. Recently Quails, possibly PE2 Finalists, to specialise. Commensurately higher commencing salary for those with experience.

PARTNER DESIGNATE

SOUTHALL, MIDDX

£7,000-£8,000. PE2 Finalist or recently qualified A.C.A. Short-term partnership prospects. General practice and routine tax.

AUDIT MANAGER/SENIORS

IPSWICH

Manager to £9,500. Audit biased Practice and local office of major International firm.

GENERAL PRACTICE

OXFORD

£7,000-£8,500 + Mainly general practice. Excellent prospects for ambitious young Qualified Accountants.

NEWLY QUALIFIEDS

EASTBOURNE

To £8,000. Young A.C.A.s. Partnership prospects within three years.

NEWLY QUALIFIEDS

YEOVIL & TROWBRIDGE

c. £6,500. Audit and general practice in local offices of progressive London firm.

A.C.A.s/PE2 FINALISTS

SURREY/SUSSEX

£6,750-£8,000. Dynamic, expanding group of Practices. Offices: BEXHILL, BRIGHTON, CROYDON, HORLEY, HORSHAM.

PARTNER DESIGNATE

READING

£8,000-£10,000. Ambitious A.C.A. with min. 2 years' P.Q.E. Age, to mid-Twenties. General Practice/small private cos. Partnership in the medium-term.

COMMERCE & INDUSTRY

ACCOUNTANT/COMPANY SECRETARY

(Aged 30-40)

Anxious to undertake a wide range of duties required in West End merchant bank for company, trust and administration work. Experience required up to draft accounts standard, with ability to handle correspondence of a varied nature, a willingness to service others with information and statistics and to carry out some evaluation work.

Good salary and working conditions, 5 weeks' holiday, L.V.s etc. - Applications, preferably with C.V. to Box AC 7169.

MANAGEMENT ACCOUNTANT in HAMPSHIRE

C.A. or similar qualification preferred. An interesting career for an energetic person is available to produce the management accounts of two small but rapidly expanding companies. Duties will include the preparation and presentation of internal accounts, to provide monthly results and budgetary control. A knowledge of computer controlled system is preferred. Excellent opportunities salary and fringe benefits are available for the right applicant. Please apply in person to:

Keith Hancock
Keith Hancock Structures Ltd
Station Approach
Four Marks, nr Alton
Hampshire
Telephone ALTON 62062

ST ALBANS CO-OPERATIVE SOCIETY LIMITED

ACCOUNTANT

Annual turnover £6,400,000 and increasing as new outlets are completed.

THE PERSON

Young ambitious person required to join enthusiastic management team.

THE JOB

Responsible for compilation of balance sheet, contribution accounts and the whole of the Society's accounting functions which are mainly computerised.

THE REWARDS

Scale salary in excess of £8,000, but negotiable for right person, private car hire scheme, accommodation at modest rental, generous staff discount and transfer clause to a superannuation scheme which offers attractive benefits.

Application forms can be obtained from:

Mr R. E. Ashdown
Secretary and
Chief Executive Officer
St Albans Co-operative
Society Ltd
Co-operative House
Stonehills
Welwyn Garden City
Herts (Tel. 30121)

GROUP ACCOUNTANT

Qualified accountant to take charge of all financial matters for a group of small companies operating in the printing, computing and property fields. This is an opportunity to get in on the ground floor and create something really worth while.

Applicants should be aged 30-40 with commercial experience and will be required to work in London. Starting salary £6,000 p.a. plus other benefits, including profit sharing.



Applications in first instance to
The Managing Director
Jenkmor Finance & Investment Ltd
33 Crawford Street, London
W1H 1PL Tel: 01-402 6165/6

OFFICIAL APPOINTMENTS

UNIVERSITY OF ESSEX

LECTURESHIP IN ACCOUNTANCY

in the Department of Economics

Applications are invited for the above post tenable from October 1st 1980. This is a new post established in conjunction with the introduction of a new degree scheme in Accountancy, Finance and Economics. The salary will be in the range £4,333-£8,992 per annum.

Applications (nine copies), including a curriculum vitae and the names and addresses of two referees, should reach the Registrar (AG/94/A), University of Essex, Wivenhoe Park, Colchester CO4 3SQ, from whom further particulars may be obtained, by November 13th, 1979.

BRISTOL. — We have many clients wishing to acquire practices or blocks of fees on attractive terms. RMA, 0245 81166.

CARDIFF MERGER/ACQUISITION. — Cardiff practice established circa 1905, G.R.F. in the region of £180,000, seeks to acquire practices or blocks of fees within an area bounded by Barry, Bridgend, Pontypridd and Newport, and in Carmarthen. Our client is able to offer up to one-and-a-half times G.F. as a capital sum and if required will also provide scope for the principal(s) to continue with a most beneficial agreement. Alternatively firms seeking growth and future development by merger can stand to gain a great deal and make rapid advancement. Full details given in confidence. — RMA, Tel. 0245 81166.

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF
WEST SUSSEX/HAMPSHIRE

to £250,000 GF

GLASGOW/EDINBURGH/
BIRMINGHAM/BRISTOL/CARDIFF/
DUNDEE/EASTERN COUNTIES

to £500,000 Plus GF

DEVON/CORNWALL/SOMERSET

to £100,000 GF

CAMBRIDGESHIRE/NORFOLK/

BEDFORDSHIRE c £40,000 GF

DENNIS CHATFIELD & ASSOCIATES

WHEATSEAF HOUSE,

4 CARMELITE STREET,

LONDON EC4V 0BN

TELEPHONES 01-353-1307/

1308/5831.

ACCOUNTANT, not necessarily qualified required for busy commercial company based in North London. Excellent salary, r supplied. — Details in writing to Beatty Co (Ref. PL), 324/326 Holloway Road, London N7 6NJ.

FAST-GROWING group of companies North London require an accountant with initiative to take control of accounting, financial and administrative functions. They will report directly to the managing director. There will be an opportunity to share in the growth of the group. Initial salary £6,000-£8,000. Car and pension will be considered after short probationary period. Please writing giving full details of career date to: G. K. Jacob, 13 Bruce Grove, London N17 6RA, or phone 01-801 2246.

AN INTERESTING OPPORTUNITY exists for a newly qualified chartered accountant to join the investment team of a Liverpool stockbroking firm.

A keen interest in Stock Exchange investment is essential and the successful applicant will be expected to take the Stock Exchange examinations in due course.

Salary will be competitive and a non-contributory pension scheme is operated.

Apply Box AI 7170.

A. WOULD SUIT semi retired, work which mainly involves the interpretation of accounts, can easily be conducted within the home. Average earnings between £3,000 and £4,000 per annum. — Apply Donald Gwatt, ICC Ltd, 81 City Rd, London EC1.

COMPANY SECRETARY

Age up to 40 required for company engaged in sales and world-wide distribution of raw material produced by overseas parent company. To be responsible for final accounts and usual secretarial duties. Modern offices in E. London; pension/life assurance scheme; holiday commitments honoured.

Write in confidence with full details to Box CS 7163.

EVON SOLICITORS with expanding practice require accountant to manage the accounts department and in due course to advise the firm and clients on fiscal and her financial matters. The applicant must have good experience of the solicitors' accounts rules. Salary by negotiation. — Please write with full details to M. T. Penny, Messrs Veitch & Co, 2 Market Street, London.

ANTED. — Book-keeper and/or accountant to handle overall administration 'book-keeping and related matter. London area. Salary according to age and experience. London area. — Telephone Mr J. Hehta, 01-248 6724.

VETERINARY SURGEONS in Wanstead with other business interests require a person with about 2 years' experience in a small firm of accountants. The person must be adaptable. — Please telephone Martin Duke to discuss the situation on 01-989 7744.

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. — Please reply to Box AB 6413.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. — For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

A FOUR-PARTNER West End firm of Chartered Accountants desire to fill a vacancy caused by retirement.

A preliminary period of employment is envisaged to ensure that all parties are compatible during which time remuneration recognising partnership prospects will be paid.

Applicants must have at least two/three years' post-qualifying experience (or be prepared to work a longer probationary period) and be will to absorb responsibility and have a keen interest in all aspects of professional life. — Box AF 7173.

A FOUR-PARTNER CITY FIRM of accountants need to fill vacancy due to retirement.

A short probationary period will be required prior to equal equity partnership.

All replies will be answered and treated in strictest confidence. — Please reply Box AF 7167.

A WEST END CHARTERED ACCOUNTANT, Jewish, needs a partner. Must have practising certificate and small firm experience. — Please apply Box AW 2913.

BIRMINGHAM. — A Chartered Birmingham Practice of long standing now wishes to expand by merger, or acquisition, and can offer firms seeking a constructive merger excellent back-up and advantageous terms. Ample cash is available to provide an attractive capital consideration of up to one-and-a-half times G.F. with or without personal continuity. RMA, 0245 81166.

BELFAST/DUBLIN. — Inquiries are invited from firms who wish to pursue merger or association relationships. Strictest confidence. — RMA, Tel. 0245 81166.

BLOCK OF ACCOUNTS for sale. Eastbourne area. — Write Box BO 2963.

Greater Birmingham Merger/Acquisition Required Firm Estb. c. 1869 GF c. £10m

■ **AN OPPORTUNITY** has arisen for practitioners in the Greater Birmingham area to take full advantage of our client's resources and professional position to enhance their own. The combination of services, systems, training schemes, national coverage and international connections offered, merit your immediate consideration.

■ **MERGER.** Our client's practice is structured so that each office has complete autonomy, individual character and flexibility, and in this way can provide incoming partners with the greatest scope for personal fulfilment, better client service and a strong competitive advantage.

■ **ACQUISITION PROPOSALS.** Up to 1½ times the Gross Fees will be paid in capital and, in addition, a valuable consultancy contract provided if this is required. To find out more about these excellent opportunities contact us in strictest confidence today. Your identity will not be disclosed to any party without permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

Merger/Acquisition National Firm GF £10m Plus Greater Cardiff Area

■ **OUR CLIENT** a long established Chartered Practice of National stature, with an increasing number of strategically placed offices throughout the United Kingdom, now seeks to develop further by means of a compatible merger or acquisition in the Cardiff area.

■ **THE ADVANTAGES** which would accrue to firms seeking growth by merger in this area would include exceptional training assistance, availability of highly advanced systems, expert specialist counsel and, in addition, substantial geographical benefits both nationally and internationally for the promotion of client attraction, retention and development to the full potential.

■ **THE SETTLEMENT** envisaged will be generous – in the case of acquisitions up to 1½ times GF with highly attractive consultancy options. In the case of mergers, as our client believes in the autonomy of each office, individuality and personal contribution will be maximised. To discuss these excellent opportunities contact us in strictest professional confidence at once.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables **RESOURCE**

The North of Ireland Merger/Acquisition Required By Belfast Firm GF £¼m

■ **AN EXCEPTIONAL** opportunity has emerged for Accountants in the Belfast area, and North of Ireland generally, to consider how the future of their practice could benefit from our clients' proposals. Inquiries are invited, therefore, in strictest confidence and on the understanding that nothing will be divulged by us, without your permission to any party whatsoever.

■ **OUR CLIENT** has ample space available, a progressive approach and outlook, highly qualified staff and specialists, international business and connections, successful systems and training facilities and is convinced that a compatible merger with an established firm in the North of Ireland could be most beneficial to both parties.

■ **ACQUISITION PROPOSALS.** If you are contemplating sale, retirement, or full/partial withdrawal from practice and wish to realise the best deal, we are prepared to offer up to 1½ times the GF as a capital sum plus consultancy arrangements if required.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables **RESOURCE**

C.A. IN PRACTICE wishes to acquire block of fees to £10,000 which could be serviced from the Croydon area. Would also be interested in contact with practitioner considering retirement. – Box CA 2946.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. – Box CA 6414.

CHARTERED ACCOUNTANT with a practice in West End wishes to acquire a small practice. Would also be interested in discussions with practitioner considering retirement. – Box CA 2915.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. – Box CA 6409.

CITY ACCOUNTANTS seek merger with over-burdened sole practitioners looking to lighten their load or contemplating retirement. – Please reply Box CA 7168.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantage. – Please reply to Box CC 7137.

CITY FIRM of chartered accountants concerned to give a personal service to clients is interested in requiring additional fee income from a practitioner wishing to retire. – Box CF 2947.

COUNSELLING for overworked, under-capitalised and frustrated practitioners who require guidance on Practice Disposal, Merger and Valuation. Reference available, confidence observed. RMA, 0245 81166.

ENFIELD. – £60,000 G.F. This growing practice established 1967 operates from High Street offices and provides a general accountancy service. RMA, 0245 81166.

ESSEX. – If you have a practice within the area of Chelmsford, Ongar, Romford or Southend and wish to sell contact us today in confidence. – RMA, 0245 81166.

EXTENSIVE EXPERIENCE, F.C.A., desires partnership/working arrangement, £6,000+ own fees and ¼ of time available. – Box EE 2904.

FOR SALE £50,000 G.R.F. (approx. 100 clients) London. – Offers to Box FS 2979.

HEREFORDSHIRE. – F.C.A. 30's, partner, southern counties provincial practice, wishes to return home if commitments will allow. Any propositions? – Box HF 2916.

IPSWICH

National Firm of Chartered Accountants
require a

PARTNER DESIGNATE

to assist in the development of an established office.

Applications from existing practitioners would be considered.

Box IN 7151.

LINCS, MERGER. – Long-established practice G.F. c £600,000 wishes to expand by merger or acquisition. Inquiries invited in confidence. – RMA, Tel 0245 81166.

LEICESTER C.A. with extensive industrial experience wishes to return to the profession by purchasing a small practice or block of fees or partnership. – Box LC 2892.

LONDON-BASED ACCOUNTANTS require young certified partner with practising certificate to join at senior level. Must be energetic and competent. – Telephone 01-688 0088.

LANCS – Chartered Accountants not satisfied with their present problems would be interested in purchasing others. If you are considering selling your practice or a block of fees up to £40,000 we would be interested in buying. Funds available for cash settlement.

Would also consider merging with firms whose Principals envisage retirement within the next 5 years with a view to eventual succession.

Interested parties should write to:

N. Snodgrass,
560 Bolton Road,
Bury, Lancs.

MANCHESTER. – Eager, highly organised Chartered firm with spare capacity, wish to acquire on very advantageous financial and personal basis. – RMA, Tel. 0245 81166.

MERGER. – Often the catalyst to fast growth, economic, geographic, technical and personal benefit. RMA, 0245 81166.

NOTTINGHAM. – G.Fees c. £14,000. Practice for disposal due to Principal's pursuit of other interests. Established circa twenty years with around 140 clients. – RMA, Tel. 0245 81166. (24 hrs).

PARTNERSHIP OR OUTRIGHT SALE in practice in West Yorkshire, established fifty years. G.R.F. over £40,000. Continuing three-year lease. Loan available. – Box PO 2936.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000–£500,000. – Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

PRACTITIONER WISHES to acquire old-established practice where a personal client service is highly regarded. – Please reply in strictest confidence. – Box PW 2937.

SELLING/BUYING/MERGING. – RMA have successfully completed many UK transfer assignments. If you have a specific problem, or just wish to gain a fresh perspective on these vital matters, our Managing Partner can arrange for a convenient consultation. RMA, Tel. 0245 81166.

SUFFOLK SOLE PRACTITIONER in country town office seeks young A.C.A. looking towards partnerships and interested in small rural town environment. C. £6,500. – Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

TWO YOUNG CHARTERED ACCOUNTANTS wish to acquire small practice or block of fees in the Greater London area. – Replies in confidence to Box TY 2965.

VALUATIONS FOR PRACTICES, equity shares, blocks of fees and dispute situations. – RMA, Tel. 0245 81166.

SUBCONTRACT WORK

EXPANDING FIRM in Hornchurch Essex require subcontractual assistants. Must be fully experienced in company audits, incomplete records and be prepared to work to trial balance stage. – Replies (own handwriting please) to Box EF 2928.

NORTH LONDON. – Permanent position for a semi-senior/senior Accountant with at least 5 years' recent professional experience, not necessarily qualified. Age immaterial. Prospects of promotion to Branch Manager within 2/3 years. Well established and expanding practice. – Please telephone Miss Scott 01-993 1293, between 9 a.m. and 1 p.m.

A.C.C.A. (33), seeks subcontract work, small/medium company audit, incomplete record related tax work, VAT, etc. Excellent service. Competitive rate. Collection and delivery. - Apply Box AC 2917.

ACCOUNTANT QUALIFIED incomplete to computer accounting. - Box AQ 7174.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. - Please reply to Box AC 6415.

CHARTERED ACCOUNTANT available for subcontract work in Leeds area. - Please phone Leeds 458242.

CHARTERED ACCOUNTANT looking for subcontract work. Will collect and deliver back. - Please reply to Box CA 2966.

CHARTERED ACCOUNTANT seeks subcontract work in Central, West or South West London areas. Wide experience in all fields. - Please reply to Box SA 2927.

CHARTERED ACCOUNTANT (44), with extensive experience of incomplete records seeks long-term arrangement with smaller firm to prepare accounts to draft stage with relevant tax computations and returns. Prompt collection and delivery assured. South Essex area preferred but could suit London firm with staff problems. - Box CA 2949.

F.C.A. with wide experience in all fields, seeks subcontract work in London and Surrey. Contact immediately. - Box FC 2950.

PEII FINALIST with twelve years of intensive all-round professional experience, seeks permanent subcontract work. Available immediately. - Box PE 2951.

SOUTH-WEST MANCHESTER ACCOUNTANTS require subcontractor for incomplete records and some management accounting on a regular basis. - Apply Box SW 2948.

ANNUAL RETURN - COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING - COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ

Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS - An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd - Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol. The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5.
Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554

Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex: 8813082

Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. - Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

A.C.A PART QUALIFIED (Asian origin - 48) varied experience in accounting, complete/incomplete records, auditing, taxation, book-keeping (including group of companies, solicitors, property companies etc). Seeks suitable permanent position, in profession, commerce or industry in or around London. - Please write Box AP 2930.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. - Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. - All replies to Box AC 6416.

CHARTERED SECRETARY/ACCOUNTANT (46), ten years U.K. experience in profession seeks employment. Salary negotiable. - Write Box CS 2938.

CHARTERED ACCOUNTANT with wide experience in practice, seeks part-time position (three days a week) in the profession. London area. - Box CA 2968.

PEII FINALIST immediately available, seeks permanent position in a medium-sized practice in London. Five years' good experience in incomplete records, audits and accounts of companies with up to £4 million turnover. - Replies Box PE 2952.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5

Freelances and Job Applicants required also.

TRAINING CONTRACTS

AN A.C.M.A with accountancy graduations, seeks training contract with a C.A. firm. - Please write, Box AA 2931.

SERVICES

RI+B

Robert Irving + Burns
23-24 Margaret St.,
London W1N 8LE
Telephone: 01-637 0821 (10 lines)

LET US SOLVE YOUR RENT REVIEW OR LEASE RENEWAL PROBLEMS

Contact Robert Serlin FSVA, FRVA, MRSH
(Head of Professional Department)

on 01-637 0821

Services Directory

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663
Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892
Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394
Advice—Sales—Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321
Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES — COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Practitioners can, in association with us, provide management information with ease and profitability to clients. Cash flows, profit forecasts etc.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353
Telex: 264420. Contact Michael Southgate
Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN. Tel. Maidenhead (0628) 37123
On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA. Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336 (Ring, write or call)

Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788
Specialist supply of all types of equipment and consumables to Practitioners. Agencies with all major suppliers, discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE
Branches: 61-63 Beak Street, London W1R 4JA
186 Fleet Street, London EC4
Tel. 01-439 8331/7

Furniture — Stationery — Typewriters — Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE Services. Includes the 'normal' reports and additional schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB. Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.

Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH. Tel. Long Stratton (0508) 30324 and 30448

Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex: 935109 (Open 7 days a week)

Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB. Tel. 01-439 6007. Telex: 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA. Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone; offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Based on our considerable experience, we can advise the Practitioner on how to cut through the morass of new technology to obtain higher profitability and greater efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London, EC4N 6AE. Tel. 01-248 4277.
Members of the Stock Exchange, established 1852. Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX. Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skailles, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332. Telex: 667783 and London

Services include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street Plymouth, 30 Milsom Street, Bath, 16 Sourthernhay West Exeter

Valuation and rating surveyors, consultants to caravan and leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new buildings, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow. Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561 (and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TAX ASSESSMENT — COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Fully automated service to monitor tax payments due, and overdue accumulating interest. Register and payslips prepared fortnightly. Permanent tax schedules prepared.

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA.
Course Registrar: Jean Slough. Tel. 01-606 0121/7
CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU. Tel. 01-836 1840 and 01-836 1923
All languages — all deadlines

Nameplates

in Bronze, Brass, Plastic, Stainless steel, Aluminium
interchangeable "Registered Office" Directory Boards and Rubber Stamps also supplied.

Austin Luce & Co Ltd Free estimates - Telephone urgent orders
ACTUAL MANUFACTURER 59 College Road, Harrow, Middx. Tel: 01-864 7342

COMPANY FORMATIONS

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

Express Co Registrations Ltd
30 CITY ROAD
LONDON EC1

A BACKED SERVICE. - Limited companies formed or ready made. - Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY SEARCHES. - Prompt and reliable personal service at moderate rates. - M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

LIMITED COMPANIES

NEW FORMATIONS

—AND—

**READY-MADE COMPANIES
FOR ALL TRADES £90**
(Complete: no hidden extras)

ALSO

COMPANY SEARCHES

Searches, Seals, Registers, etc.
Descriptive literature from:

**GRAY'S INN COMPANY
FORMATIONS LTD**
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

READY-MADE COMPANIES available now, also formations, etc. - Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. Own names registered from £81.68 including books, seal, VAT. Speedy searches. - Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

MORTGAGES

A COMPREHENSIVE MORTGAGE SERVICE. - Maximum loans for professional applicants. Very competitive top-up facilities. Attractive second mortgage scheme. Speedy mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing, etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. - Rowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. 01-908 3434 (24 hours).

ABANDON CHASING THAT MORTGAGE. - 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. - Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

MORTGAGES AND RE-MORTGAGES

on freehold and 60-year leasehold private dwelling-houses, purpose-built flats and part occupation dwellings, arranged over a 20-year term through highly reputable building society, also joint mortgages. No restriction on age of property if in good condition. Maximum advance £19,500. - For further information please write or telephone, M. P. Joseph (9 a.m.-5 p.m.), 01-242 9936, 125 High Holborn, London WC1.

SECURED LOANS and remortgages for accountants. - 01-346 4653. Martin Hasseck Ltd, Freepost, London NW4 1YB. 100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. - Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

A COMPREHENSIVE SERVICE

Maximum loans for professionals
Remortgages, commercial loans, etc.

Personal service 20 years' experience.
Members of the Corporation of Mortgage and Finance Brokers.

ROWE, CHARLES & CO LTD
Hill House, Wembley, Middx HA9 9LD
01-908 3434

MISCELLANEOUS

CLIENT ACQUISITION. - Operations manual and cassette tapes effecting total practice development including client acquisition at 8 to 12 per month. \$70,000 to \$500,000. - Write for free information. Business Services International, Practice Development Center Division, 615 W. Main, Suite 318, Arlington, Texas, 76010.

PERSONAL

DATELINE'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

EXPERIENCED ACCOUNTS TYPIST (ex C.A. Sec.) available for home typing. - Further details 01-886 1058.

PART TIME TUTOR REQUIRED. Experienced or recently qualified C.A. required to teach PEI students. Top hourly rate and hours by arrangement. - Please reply Box PT 2932.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

1979/1980 FACSIMILE TAX FORMS NOW AVAILABLE

SHARPTHORNE PRESS
149 Stafford Road, Wallington, Surrey
Tel. 01-647 9510

BUSINESS PREMISES

AN INSTANT OFFICE. - Ideally suit new or expanding firms. Busy position 'Bakers Arms' London E10. Luxuriously furnished. Telephonist, receptionist. C/H and other services and facilities included. - 01-539 3300.

ACCOUNTANTS close to Wembley Park Station have spare office capacity of approximately 300 sq. ft with car parking space available. - Telephone 01-902 0355.

SPARE OFFICE SPACE available to share services for a sole practitioner in the City area. - For details contact Box SD 2920.

BUSINESS OPPORTUNITIES

SUCCESSFUL and well-established accountants (London, Croydon, Reading, Bournemouth) require mortgage of £30,000 to be secured on a commercial freehold property value £40,000. We offer 15% p.a. or may be paid by way of consultancy fees of £4,500 p.a. - Please telephone Miss Scott 01-993 1294.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies, Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that the reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

READY-MADE COMPANIES AND SPECIAL FORMATIONS £95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETTERBURGH LIMITED
140, 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON
EC4Y 0HE. Tel. 01-353 1441
Ring any day - any time - 24 hour service

'Security' of Statutory Declaration

Capital gains tax – Disposal of assets – Debt – Debt on a security – Security – Need for document or certificate issued by debtor – Loan by taxpayer company to subsidiary – Loan not secured on assets of subsidiary – Taxpayer company provided with statutory declaration by director of subsidiary recording its acceptance of loan offer – Whether loan a 'debt on a security' – Finance Act 1965, Schedule 7, paragraphs 5 (3) (b), 11 (1).

The taxpayer company, having made a capital gain, wished to create a capital loss to set against it. For that purpose it embarked on a tax avoidance scheme pursuant to which the following transactions were carried out.

On February 23rd, 1973, the taxpayer company acquired the whole of the issue shares of another company, C Ltd, for £185,034. By a letter of the same date the taxpayer company then offered to make two loans ('loan L1' and 'loan L2') to C Ltd, each of £218,750, repayable at par after 30 and 31 years respectively. C Ltd would be entitled to make earlier repayment, if desired, and was obliged to do so if it went into liquidation; if either loan were repaid before its maturity date, it had to be repaid at par or at its market value, whichever was the higher. Both loans were to carry interest at the rate of 11 per cent per annum but the taxpayer company was to have the right, exercisable on one occasion only, to decrease the interest rate on one of the loans and to increase correspondingly the interest rate on the other.

The offer was accepted orally by C Ltd and afterwards the taxpayer company was provided with a statutory declaration, made by one of C Ltd's directors, recording C Ltd's acceptance of the offer. The £437,500 was duly advanced by the taxpayer company to C Ltd. On March 2nd, 1973, the taxpayer company reduced the interest on loan L1 to nil and increased the interest rate on loan L2 to 22 per cent and sold loan L2

to M Ltd for £391,481, which was its approximate market value. The taxpayer company thus made a capital profit of £172,731 by selling loan L2.

In due course, after further loan and share transactions, loan L1 was repaid at par and the taxpayer company incurred a capital loss of £175,647 in respect of the sale of shares in C Ltd. In computing its corporation tax for the accounting period ended May 31st, 1973 the taxpayer company claimed, *inter alia*, that loan L2 was not a 'debt on a security' within paragraphs 11 (1) and 5 (3) (b) of Schedule 7 to the Finance Act 1965, because it had not been evidenced in a document as security, and that the capital profit of £172,731 arising on the sale thereof was therefore not a chargeable gain.

The Special Commissioners held that loan L2 was 'loan stock or similar security', within Schedule 7, paragraph 5 (3) (b), that its disposal was therefore a disposal of a 'debt on a security', within paragraph 11 (1), and that accordingly the gain arising on its sale was not exempt from liability to tax. The judge allowed an appeal by the taxpayer company ([1978] 2 All ER 321) on the ground that the essential feature of the security as defined in paragraph 5 (3) (b) was a document or certificate issued by a debtor which would represent a marketable security or which would enable it to be dealt with in and if necessary converted into shares or other securities and that, since no such document had been issued by C Ltd to the taxpayer company as security for the loan, the loan was not a 'debt of security' for the purpose of paragraph 11 (1). The Crown appealed.

Held – Loan L2 was a 'debt on a security' within paragraph 11 (1) of Schedule 7 to the 1965 Act: it was similar to loan stock because it had all the characteristics of loan stock and was evidenced by a document or security (ie the statutory declaration made by the

director) which was similar to the document or security that was usually furnished by a debtor company (ie a loan certificate) and adequately fulfilled the functions of such a certificate. The statutory declaration represented a marketable security and the loan could, if necessary, be converted into shares. It followed that the gain arising on the disposal of loan L2 to M Ltd on March 2nd, 1973, was not exempt from liability to tax.

W. T. Ramsey Ltd v. CIR ([1979] 3 All ER 213, CA).

Uniform Treatment

Airline personnel, bus and train drivers and all types of industrial workers have either uniforms or protective clothing provided for them. So why then is the poor manager or executive not provided with a uniform – business suit – that he too can discard for something more casual after working hours?

It is not only middle management and junior executive personnel who seem to have been badly neglected, but also the many thousands of front line sales staff who, when on the road pursuing new business on behalf of their companies, shine more seats and elbows, and use up suits, shirts, shoes and outerwear at quite an alarming rate. These days, keeping up appearances is not just a matter of personal pride but an absolute necessity for all of these people. 'Looking the part' is essential and can be vital to future job and promotional prospects and can often be the deciding factor in negotiating a successful conclusion to a business deal or valuable contract.

Few would claim that driving a car in current congested traffic conditions is a pleasure – nor is the wearing of a suit, collar and tie during a heatwave or when you are rushing to your next appointment. Most front-line personnel would, no doubt, much prefer to pursue their gainful employment dressed in casual comfort; unfortunately, convention and the 'corporate image' dictate otherwise.

All of this has been much stressed of late, not least by a certain company whose Covent Garden premises (not far from *The Accountant*) are already widely associated with dress hire for formal occasions. Facilities for the leasing of business clothing, it is claimed, present

the employer with opportunities to control and project the 'corporate image', while the tax liability on the employee is limited to his marginal rate applied to 10 per cent per annum of the retail value of the clothing.

No Exemption for TSB Interest

As a result of changes in the structure of Trustee Savings Banks to enable them to continue their development towards full banking status, the present limited tax exemption in respect of interest on TSB ordinary savings accounts will cease as from November 21st, 1979.

Trustee Savings Banks credit interest annually as at November 20th and the exemption will continue to apply to interest credited on November 20th, 1979, to ordinary accounts. Because of the particular rules for assessing bank interest, most people who are liable to pay tax and who already have a TSB ordinary account will not feel the effect of this change until the tax year beginning in April 1981.

SPECIAL COMMISSIONERS OF INCOME TAX

Circuit Programme 1980

In 1980, the Special Commissioners propose to visit the following cities between the dates shown to hear appeals and applications:

York, February 11th–15th
Manchester, February 18th–29th and
June 30th–July 4th
Edinburgh and Glasgow, March 3rd–
14th and October 6th–17th
Birmingham, March 24th–28th
Bristol, April 21st–25th
Liverpool, May 12th–16th
Cardiff and Swansea, June 2nd–6th
Exeter and Plymouth, June 16th–20th
Leeds, July 7th–11th

The last day for listing cases for hearing is normally about two months before the Commissioners' visit starts. However, cancellations sometimes enable the Clerk to the Special Commissioners to fit in a hearing at short notice on request.

The office of the Clerk to the Special Commissioners is at Turnstile House, 94–99 High Holborn, London WC1V 6LQ (01–438 7418).

Tribunal Divide Over Principles of Agency

The appellant company, suppliers of wickerwork and basketwork, employed agents to find housewives to act as hostesses at parties where the agent demonstrated the appellant's products and took orders from the housewives who attended. Party orders were sent to the appellant's warehouse and the goods, individually labelled, were packed in one consignment addressed to the hostess. She collected the money from the buyers and paid the driver on delivery, any goods not paid for being returned to the warehouse. As a reward for holding the party she was allowed a percentage of the total sales in cash or goods.

The Commissioners had assessed the company in respect of the rewards paid to hostesses on the basis that their open market value should be taken into account for the purposes of VAT as they were taxable supplies.

The hostess was an agent of the appellant, not a retailer of goods in her own right, acting as a conduit by accepting the goods, distributing them and paying over the money for them to the appellant on behalf of the buyers.

No reward

The hostess made her house available for the agent and the buyers to meet and at that stage no reward was involved. If there was no sale she received nothing; if there was a sale she could anticipate her reward by ordering goods or could deduct some of the cash she had received from the buyers.

The test, according to the Commissioners, was at which point could the buyers demand their goods and from whom? If the appellant failed to deliver the goods the buyers would sue the appellant not the hostess as she could not sort the matter out. She could not be a retailer as she had nothing to sell and the buyer bought the goods, not the hostess.

The appellant on the other hand contended that it had no control over the goods once they were sent to the hostess as they had been sold to the hostess. Her reward arose when she was paid by the buyers so that she became in effect 'a sort of retailer'. Although the appellant created a situation where the reward accrued, it did not provide the reward, and there was no guarantee that a reward would arise. As a result the appellant should account for VAT on the money received after deduction of the discount.

Acted as a principal

The Tribunal could not agree. According to the minority the hostess acted as a principal because there already existed an agent, who had introduced the hostess to the appellant and because the hostess and the appellant were parties to a contract for the supply of goods. Responsibility for payment established clearly that the hostess was the second party to that contract. Further, no evidence had been adduced to establish that an enforceable contract existed between the appellant and the ultimate buyer.

The majority found that the hostess had acted as an agent, thereby making her reward a taxable supply by the appellant. It had supplied goods to the buyers who had paid the hostess who then handed it to the van driver. It was clear that the hostess did not buy the goods from the appellant since if she did not have the money for a particular package the van driver returned it to the appellant. Her reward, whether in goods or in cash, represented her commission on sales as an agent, so that VAT was payable by the appellant on the reward paid for her services.

Churchway Crafts Ltd v. Customs and Excise (LON/78/143, February 20th).

Copper-Bottomed Investments

Prophets of world economic recession are many and varied – but unanimous. A rare recruit to the prophets' ranks is the ninth issue of *Copper Trends* produced by Amalgamated Metal Trading Ltd in conjunction with Brook Hunt & Associates.

Naturally, in assessing the future production, consumption and price of copper the *Trends*' survey needs to evaluate general world economic prospects. Last spring *Copper Trends* suggested that the steep rise in price, which reached its peak at the end of March, was mainly due to large disruptions in supply coinciding with a high level of demand, a level considered unsuitable over the longer term.

In the first half of this year refined copper consumption in the Western world rose by 7.5 per cent over the first half of 1978, compared with growth rates of 4.5 per cent in the period 1955–65 and 2.7 per cent in 1966–76. In addition, the loss of mine production in the Western world 'for involuntary reasons' in 1978 was 550,000 tonnes and is expected to rise to some 580,000 tonnes this year.

Currently, therefore, there is discussion on the possibility of demand falling and supply improving with the major unknown quantity in the demand equation being the United States economy.

Role of the dollar

The important questions to be answered is the attitude of the US administration to any decline in economic activity. Apart from domestic considerations, the policy options available to the administration are reduced by the pivotal role of the US dollar in international trade and its function in pricing oil.

A simple supply-demand model of the crude oil balance today 'would probably suggest that the market is in surplus and that prices could therefore fall'. But the *Copper Trends* view is that it is more likely that production by many OPEC producers will be reduced for technical

and political reasons leading to further increases in prices. That view is currently being confirmed.

Increases have already far outstripped those that the May issue of *Copper Trends* predicted, even though 'many people considered then that our forecasts were too high', the survey comments.

The May prediction was for an end-1979 price of \$19 a barrel, but the belief now is that the price will rise to an average of around \$25, 'thus exacerbating the prospects for inflation and economic activity'.

Weakening in activity

It is agreed that so far this year US business activity has been at a high level, but a recent decline in retail sales, the continued high level of inflation, rising interest rates and a fall in personal real disposable income have led to some weakening in economic activity.

In view of the importance of the consumer sector to the US economy, any downturn in that sector will have a proportionately large influence on the total economy. Inflation is considered unlikely to start falling until some time in the first half of 1980, and prospects for real average hourly earnings starting to improve in the immediate future are not encouraging. For the past three months growth in consumer debt has slowed down.

US retail sales are considered likely to decline significantly in the fourth quarter of this year and into 1980. At the same time the outlook for capital investment has deteriorated.

'The deepening uncertainty about the economic environment combined with the prospect of poor profitability, a further erosion of liquidity and continued high costs of borrowing can be expected to result in capital investment declining by some 4–5 per cent in volume terms in 1980. In addition, some inventory liquidation is a growing possibility. Although inventories have not risen to the levels reached in 1974,

there is none the less an appreciable build-up. Indeed, adjusted for inflation, the ratio of inventories to sales starts to look more ominous.'

Outside the United States it is generally felt that the German and Japanese economies will be able to absorb the increased costs of oil without going into a recession. But world trade is expected to slow down appreciably and a recession of reasonable severity in the United States will reduce demand for exports, particularly from Japan.

Moreover, both countries' priority objective is to prevent a resurgence of inflation, implying a restrictive fiscal and monetary policy. Domestic demand will accordingly be somewhat lower than in 1979. As a result of their analysis the compilers of *Copper Trends* forecast that industrial production should increase by 2.7 per cent in 1979, fall by 3.5 per cent in 1980 and rise by 3 per cent in 1981 in the Western world.

Forecast

Translating the findings into copper terms, the forecast is for refined copper consumption in the Western world to fall by 8.6 per cent to 6.8 million tonnes in 1980, with a fall of 11.2 per cent in the United States. In 1981 consumption should rise by 4.6 per cent to 7.1 million tonnes.

Surpluses of 376,000 tonnes and 316,000 tonnes should occur in 1980 and 1981. Speculative demand may temporarily keep the copper price up, but possibly before the end of this year the prospect of 1980 surplus in the wake of American recession 'will outweigh the acquisition of copper as a store of value'.

'Should that occur', *Copper Trends* concludes, 'copper prices would again begin a material decline which may not reach its low point until well into 1980.' In that forecast it holds to its May prediction.

New Flexible Contract

Fixed term endowment assurance policies are fine when cash will be needed on a particular date, such as for repayment of a house purchase loan or to meet school fees. Otherwise, 'flexible' endowment policies have proved popular for those wishing to save through life

assurance, since guaranteed cash, plus bonuses, can be taken at any time after premiums have been paid for ten years.

The majority of 'flexible' policies on the market run until the policy anniversary preceding the life assured's 65th birthday. Those taking out a policy at a relatively young age, however, do not necessarily need the final maturity date to be as late as that. To meet that need, Friends' Provident Life Office has introduced a flexible endowment policy with a term of 25 years, where a guaranteed cash sum, plus bonuses, can be taken at any time after premiums have been paid for 10 years. For those over the age of 39 at entry, the policy runs to the anniversary preceding the life assured's 65th birthday.

By reducing the final maturity date for those at the younger age levels, a higher proportion of each premium can be devoted to investment, thereby providing better value for money. The contract can be arranged by children, and useful options are incorporated for anyone under the age of 20 at entry. For them, a whole life or endowment policy can be arranged, without any evidence of health, on marriage, or in connection with a mortgage when buying a house. Here, the maximum sum assured is ten times the original figure, subject to a maximum of £60,000. If the option has not already been exercised, it can be taken at the age of 30, or at the final maturity date of the policy, whichever is earlier.

representative using various levels of room in and around London and the provincial towns), domestic tourist (the traditional resort hotel), off-the-street business and conference and banqueting.

Little new supply is coming on stream, although the major groups are expanding by acquisition and upgrading the quality of their rooms. Estimated hotel capacity has only marginally increased since 1973.

Attention had been focused recently on the effect that the strength of sterling will have on the hotel industry. Vickers da Costa argue that the result will be a reduction in the UK's share of world tourism to its historically more normal levels from the inflated percentage reached in 1976-78 following the period of acute sterling weakness.

The total number of trips to the UK by all visitors is expected to fall by 4 per cent in 1979 and by 2 per cent in 1980. Within that reduction, commercial business is expected to hold up reasonably well, and the impact of a pronounced downturn in the numbers of US tourists will be offset by the fact that American business has become relatively less important of late. European holiday tourists form a much greater proportion of the market than American travellers.

Domestic holiday traffic is highly sensitive to incomes, but UK commercial traffic shows a more steady growth of demand. Although the London tour and holiday business will be most affected by the reduction in incoming tourists, particularly in the higher-priced range, a 'case study' implies that there will be no repeat of the 1974-75 débâcle.

That is considered so because, in the first instance, the supply-demand situation is in much better balance, so that occupancy rates will not collapse but may only decline in London by a few points. In the second place, because achieved room rates will not collapse either, as happened in 1975, but rather it will simply be more difficult to raise them in some contrast to the past two years of rising prices. Thirdly, companies have reduced their debt levels and the new properties of the 1972-73 building boom are now into the profitable period of operation. Trading profits for the industry, however, will show little or no growth next year. But by 1981-82 the industry is expected to be experiencing a

Make Room for the Inns

The recent sale of Grand Metropolitan's share stake in the Savoy Hotel to Rothschild Investment Trust adds piquancy to Vickers da Costa's latest survey of the UK hotel industry.

The brokers' view is that the hotel sector remains one in which an investment should be maintained and it is, generally, not overpriced in stock market terms. In view of good prospects for profitability around two years out, opportunities arising over the next six months should be taken to acquire interests. That basically is the brokers' advice to institutional clients.

Totally exposed

Comment is that 'aside from Savoy, which has recently become more of an asset/bid situation anyway, there are no obvious "pure" hotel groups totally exposed to a combination of high debt and concentration on higher-priced London rooms'. Comfort Hotels is largely in London, but not highly priced, and around one-half of its balance sheet debt relates to its Copenhagen property, the sale of which has now been negotiated.

That disposal, as well as transforming the balance sheet, leaves the company free to concentrate on further expansion of the main business.

The likelihood of profits growth next

year is considered to increase the further out of the higher-priced London holiday market a company is placed. With interest rates remaining high, the heavily debt-financed companies will be further under pressure. Neither of these factors, however, should have anything like the severity of 1974-75.

Trust House Forte is the one major specialist quoted company and Vickers da Costa believe that the two- to three-year outlook is favourable. Several smaller units, as well as being attractive in themselves, are considered potential take-over candidates.

These include Mount Charlotte Investments, which should benefit, despite the industry slowdown, from an upgrading programme; Norfolk Capital, which has significantly reduced its debt burden; and Queens Moat Houses, which has an attractive niche in the Home Counties commercial business.

Different markets

Reviewing the industry, the brokers make the point that it serves a number of different markets with quite distinct characteristics - group tours, individual tour, commercial-business house, commercial-individual (the mainstay of the UK, involving the high-level executive using 4- or 5-star city centre hotels and the travelling businessman or

Financial Accountant

further period of rapid profit acceleration.

Change of emphasis

The marketing strategy of hotel companies has been to switch the emphasis from declining or vulnerable areas of demand, for example, the United States or group tours, to thriving areas such as West Germany and the commercial

market. This creates a greater stability in periods of weak demand and otherwise enhances business growth.

The greater awareness of the marketing function has been apparent over the past two years, Vickers da Costa consider, and they take the view that a greater amount of business has been achieved from improving 'achieved room rates' and from increasing the spending on food and drinks.

Repurchasing Shares

On behalf of 25,000 smaller firms in the United Kingdom, the Association of Independent Businesses has argued the case for amendment of the Companies Acts to permit independent firms to purchase their own shares. Mr Lee Bushby, chairman of the Association's Business Law Committee considers 'It is essential to build a series of bridges between smaller firms and institutional funds. Allowing a company to repurchase its own shares will make it more attractive for independent firms and financial institutions to enter into medium to long-term equity financing deals.'

Industrial concentration

Among the Association's main conclusions is the point that the long-term decline in the number of small firms in the United Kingdom has been accompanied by an exceptional rate of industrial concentration. There is now widespread agreement on the undesirability of this trend.

Existing taxation and Company Law have inter-reacted to speed the process of absorbing independent businesses into larger units. That ends their identity and their potential as the seed corn of future major enterprises in their own right.

It is often difficult to find private buyers, at the right time, to take on sizeable shareholdings in independent businesses — especially when the circumstances of the sale are dictated by personal rather than commercial reasons. This problem is aggravated in the case of minority holdings.

The easiest way out of the marketability problem, it is considered, is at present

provided by large firms and financial institutions. They can borrow more cheaply while the institutions have the additional advantage of a regular flow of funds available. Stimulated by the bias in the taxation system towards institutional savings, the overall incentive to private businesses to sell out to large organisations is great. The 1979 budget modified it only to a small extent.

The recent Wilson Committee interim report on the financing of small firms suggested that companies might be permitted to buy back shares themselves using company funds — and thereby improving marketability. The Association points out that share repurchase using company funds is far from unusual overseas.

In this respect British company law, dating from earlier times than most, is considered out of step with many of Britain's industrial competitors. In fact, the second Company Law Directive of the EEC sets out a tested formula for implementing the necessary legal changes.

And change of present UK legislation, the Association maintains, should include provisions to protect creditors and minority shareholders. 'Both can be achieved without harmful consequences.'

Protection

Protection of minority shareholders would be helped if share re-purchases were to be authorised by an Extraordinary General Meeting — in accordance with the European model. Minority shareholders interests would be secure so long as the repurchase price was fair.

Creditors would be protected were they to have advance knowledge of the intended repurchase. In many cases creditors would know the particular circumstances and have no worries. In any case a public announcement giving 28 days warning before the resolution came into force would provide full protection.

Some of the reasons for the Association's attitude on this subject are that the Banks report a reluctance of entrepreneurs to 'surrender' equity. Once obtained, smaller firm equity, especially minority holdings, may be difficult to dispose of and market.

The effect of the tax system over many years has been to make it difficult for individuals, particularly participants in a firm, to accumulate enough capital out of post-tax income to purchase equity holdings — for example to buy out an individual or institutional shareholder.

'This', Mr Bushby has said 'is one in a series of measures which we will be proposing to Government. Our long consultations with Ministers and their officials have convinced us that the Government is keenly aware of the need to build such bridges: the jobs explosion which is the main political and economical potential of our sector depends on the adequate financing of the smaller firm. This change is an important part of a fiscal, financial and company law strategy to make the smaller firm a magnet for investment.'

Premium Bond Shake-Up

Some holders of Premium Savings Bonds may feel it appropriate to cash in their holdings, in view of the lengthening of the odds against winning a prize, with the introduction of the new prize structure from January 1980.

While the interest rate underlying, the prize fund will remain unchanged at 5½ per cent (having been increased in January 1979), the odds against any single bond winning a prize in any one month will be about 19,000 to 1 against, compared with about 11,000 to 1 against under the structure introduced in January 1979.

The reduction in the number of prizes from about 125,000 per month to

Financial Accountant

between 72,000 and 75,000 will result in a saving in administrative costs, since fewer staff will be needed. The £25 prize is to be abolished, and the most common prizes will be £100 or £50. From each remaining complete £100,000 of prize fund after payment of the fixed weekly and monthly prizes, there will be six prizes of £1,000, six of £500, 500 prizes of £100, and 820 prizes of £50.

Under the new structure, a higher proportion of the prize fund will be put towards high-level prizes, leaving a somewhat smaller proportion for the prizes which are most likely to be won. On average, therefore, an individual with a sufficiently large holding can expect a poorer return than in the past, assuming that he has little or no chance of winning one of the big prizes.

coming months from their bankers will be very large and as the economy enters recession monetary growth will slow down.

Were market forces the sole factor Mr Pepper would forecast peak interest rates 'about next March'. But, just as control of the money supply advanced the turning-point of interest rates by some six months in the autumn of 1977, it should advance the current turning point by roughly the same amount.

If the recession starts in the first quarter of 1980 the money supply should now be starting to decelerate. So what about the first quarter of next year for interest rates to fall?

Pointing out that the use of October tax rebates could be a critical factor determining short-term timing, Mr Pepper left his building society audience to make up their own minds. 'Building societies' he told them 'may be well placed to decide because what is happening to your deposits may indicate whether people are spending or saving. You have an important clue from your own business.'

Countdown Interest

In stock market operations it is not enough just to be right. It is necessary to be right at the right time. Much money went into the gilt-edged market during the summer on the grounds that by the end of this year interest rates would have fallen like the proverbial brick.

There was almost unanimous opinion to that effect. So nearly unanimous, in fact, that some doubts were raised as to the veracity of the view. But the gilt-edged market, because of the weight of money moving into it, forecast the potential decline in interest rates.

But of late the forecasting has faltered, hopes have been deferred and the prospect of any worthwhile reduction in interest rates this year is now as uninspiring as it was inspiring at midsummer. Interest rates, it is still considered certain, will come down. But when? That question is the one that matters and the one most difficult to answer.

'Interest rates and the gilt-edged market - the outlook in the changing economic scene', was the title of a talk by Mr Gordon Pepper of W. Greenwell & Co at a Building Society Seminar.

He said that 'If in 1980 the money supply tends to undershoot by the amount that it did in 1973-74 or 1969-70, both recessionary years, the effect of the Bank of England rationing its sales of gilts will be much more dramatic than it was in September 1977 or March 1979.'

'In short, if the personal sector savings function jumps up as it did in 1974-75 we could be in for a bull market in gilts (and also in equities) the power of which people cannot at the moment envisage.'

All good buoyant stuff. But when will it happen? There's the rub. Mr Pepper

again: 'What about the timing? When will the fall in interest rates start? First I must stress that our knowledge of monetary economies is inadequate. It is impossible to be precise about the timing. Although I find it difficult to be constructive, I do know what arguments in vogue at the moment are wrong.'

Bankers' instincts for example 'give a wrong answer; they always do at this stage of the business cycle'. The amount of money businessmen will need in the

Roll over EDITH

In the context of private company share developments it may be noted that during the half year to the end of last September new investments by Estate Duties Investment Trust were boosted to a record £2.75 million by six share-exchange deals.

These involved the issue of 1,773,219 listed shares in EDITH, valued at £1.3 million, in exchange for minority shareholdings in unlisted companies and enabled the vendors to claim roll-over relief for Capital Gains Tax. Since September 30th, a further 583,333 EDITH shares have been issued in exchange for another unlisted minority shareholding, bringing EDITH's share capital in issue to almost £20.22 million.

Until 1977 all EDITH's investments were made for cash. But under section 40 of the Finance Act 1977 provision was made for roll-over relief for Capital Gains Tax in certain cases where a minority interest is sold in exchange for shares or loan stock. EDITH has since

issued its own shares for this purpose.

Individual shareholders and trustees of family settlements are thereby able to exchange their shares in an unlisted private company for listed shares in an approved investment trust company holding a wide spread of investments, without paying tax on the exchange. EDITH is now prepared to invest for cash, for shares or for a combination of the two.

EDITH is managed by Industrial & Commercial Finance Corporation (ICFC)-the major private-sector source of medium and long-term finance for small and medium-sized businesses. EDITH purchases minority stakes in unlisted companies, enabling shareholders to raise sufficient cash to meet tax and other personal liabilities without having to sell control. As a non-interfering minority shareholder EDITH does not require board representation or a time-limit on the duration of its investments.

City Notes

Over the Port

Connoisseurs of the 'Bankers Dinners' at the Mansion House have professed a feeling of relief that this year both the Chancellor of the Exchequer and the Governor of the Bank of England were in accord. In the recent past Chancellor and Governor have appeared to have been in accord and have even sounded in accord.

But appearance and sound were false in that the Chancellor was merely going through the motions of agreement with the economic strictures demanded by the Governor. The present Chancellor and Governor made very much the same speech insisting that inflation is the root of all economic evil and that all economic and fiscal policies must be designed and developed towards rooting out this evil.

The Governor, in the way that the Bank has lately developed, laid it on good and hard. The Bank has become the biggest prophet of doom in the City and presumably not without good reason. At the Bankers Dinner the Governor continued this to the extent of insisting that there is no option. There is only one course – the beating of inflation down to a bottom end single figure.

The Chancellor, sounding much less of a politician than his predecessor, put fears of economic policy reversals aside. But in the end Chancellors are politicians and the City will still wait for signs of a change in course, if not a complete reversal.

Change of Heart

Indication that the BP share sell off by the Government may only be half the originally expected size provided some City relief. The trials and tribulations of a simultaneous London and New York operation, memories of which still make new issue people weak at the knees, will be avoided.

But the size of the BP sale is seen by some as suggesting that the Government is playing down considerably its earlier stated intention of transferring major Government owned assets to private hands. The 'other half' of the BP issue is taking the form of a transfer of British

National Oil Corporation Funds from next year to this which is not exactly what some City people had in mind when the Government talked of North Sea oil denationalisation.

Bank Charges

Lloyds Bank having begun the round, it will probably not be long before other banks increase their current account charges. 'Free banking to cost more' was, as a newspaper headline, one of the brighter things to come out of the revision of bank charges.

It has, of course, always been contended that bank customers never knew exactly what their bank charges were

except that they were too high. These days, however, customers are more concerned at the cost of banking.

Certainly customers in the UK paying Irish currency cheques into their accounts or sterling cheques drawn on Irish banks need to watch their costs. One customer, taking a detailed look at the charges imposed by the 'International' end of his bank for processing a sterling cheque drawn on an Irish bank, noticed a sizeable charge for interest.

Inquiry brought the information that this was interest charged because the sum in question was considered a loan by the bank and the customer might draw a cheque against it. Protest had the interest charge reimbursed.

Rates and Prices

Closing prices, Monday, October 22nd, 1979

Bank of England Minimum Lending Rate				Money Rates								
May 5, 1978	..	8½ %	Feb 8, 1979	..	14 %	Day to day	13½-14 %	<i>Bank Bills</i>				
May 12, 1978	..	9 %	Mar 1, 1979	..	13 %	7 days	..13½-13¾ %	2 months	14	-14½ %		
June 8, 1978	..	10 %	April 5, 1979	..	12 %	<i>Trade Bills</i>		3 months	13½	-14 %		
Nov 9, 1978	..	12½ %	June 12, 1979	..	14 %	1 month	..	14½ %	4 months	13½	-14 %	
Finance House Base Rate						2 months	..	14½ %	6 months	13	-13½ %	
October 1st, 1979, 14½ %						3 months	..	14½ %				
Certificates of Tax Deposit						<i>Three Months' Rates</i>						
August 3rd, 1979:						Local authority deposits	..	..	13½	-13¾ %		
interest on payment of tax 14 % + 0 % per annum						Local authority bonds	..	..	14½	-14 %		
withdrawn for cash 11 %						Sterling deposit certificates	..	..	14½	-13¾ %		
FT Industrial Ordinary Index						Euro-sterling deposits	..	..	14½	-14½ %		
October 22nd, 1979, 468.1 (3 p.m.)						Euro-dollar deposits	..	..	15	-15½ %		
						Inter-bank rate	..	..	15½	-14½ %		
Treasury Bills						Foreign Exchanges						
Aug 17	..	£13-2975 %	Sept 21	..	£13-4131 %	New York	..	2-1515	Frankfurt	..	3-8775	
Aug 24	..	£13-3093 %	Sept 28	..	£13-3638 %	Montreal	..	2-5405	Milan	..	1784-50	
Aug 31	..	£13-3397 %	Oct 5	..	£13-3244 %	Amsterdam	..	4-2950	Oslo	..	10-7350	
Sept 7	..	£13-3485 %	Oct 12	..	£13-3615 %	Brussels	..	62-3500	Paris	..	9-0875	
Sept 14	..	£13-4027 %	Oct 19	..	£13-6346 %	Copenhagen		11-2850	Zürich	..	3-5650	
Gilt-edged												
Consols 4 %	..	..	..	..	..	32½	Treasury 13½ % 1997	..	..	..	..	103
Consols 2½ %	..	..	..	..	..	22½	Treasury 9½ % 1999	..	..	..	..	80½
Conversion 3½ %	..	..	..	..	..	35½	Treasury 9 % 1994	..	..	..	..	76½
Funding 3½ % 99-04	..	..	..	..	..	38½	Treasury 8½ % 84-86	..	..	..	..	89½
Funding 5½ % 78-80	..	..	..	..	..	94½	Treasury 8½ % 87-90	..	..	..	..	81½
Funding 5½ % 82-84	..	..	..	..	..	83½	Treasury 3½ % 77-80	..	..	..	..	94½
Funding 5½ % 87-91	..	..	..	..	..	66½	Treasury 3½ % 79-81	..	..	..	..	92½
Funding 6 % 1993	..	..	..	..	..	62½	Treasury 5 % 86-89	..	..	..	..	67
Funding 6½ % 85-87	..	..	..	..	..	78½	Treasury 5½ % 08-12	..	..	..	..	47½
Treasury 13 % 1990	..	..	..	..	..	102½	Treasury 2½ %	..	..	..	..	20½
Treasury 12½ % 1993	..	..	..	..	..	98½	War Loan 3½ %	..	..	..	..	32
Retail Price Index (Jan 1974=100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2			
Tax and Price Index (Jan 1978 = 100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2			

TO LET REFURBISHED OFFICES IN EC1

**BOUNDARY HOUSE
WITHIN 10 MINS. WALK OF THE BANK**

2,000-20,000^{"APPROX"} SQ. FT.

- AVAILABLE AS A WHOLE OR IN FLOORS •
- AUTOMATIC PASSENGER LIFT • CARPETING •
- CENTRAL HEATING • SUSPENDED CEILINGS
WITH FLUORESCENT LIGHT FITTINGS •
- IMMEDIATE POSSESSION •
- TELEPHONE LINES INSTALLED •

**£6.25
PER SQ. FT.**

LEASE FOR A TERM BY ARRANGEMENT - WITH 5 YEAR REVIEWS

**FAREBROTHER ELLIS & CO.
29 FLEET ST.,
LONDON EC4Y 1AL
TEL: 353 9344**

**CHAMBERLAIN & WILLOWS
CHURCH HOUSE,
IRONMONGER LANE,
LONDON EC2
TEL: 606 9611**

Educating and Training The Accountant

by E. B. BISHOP, FCMA, JDipMA, FCIS

'The accounting profession should be concerned only with preparing people accurately to keep and check books of account.'

'The accounting profession should be concerned with preparing people to speak the language of figures in a way most effective to aid decision taking.'

The alternative propositions in the headnote go some way to setting out the basic problems of educating and training the accountant. The first has the superficial attraction that, in theory, all that is needed is to produce effective scorers; the second is closer to reality in that it recognises the scorer does his job better by acquiring an increasing practical knowledge of the game. The better you know any game, the closer you become to advising as to the best ways of playing it under varying conditions; and indeed, from the early days of the profession, practitioners have developed knowledge of their clients' businesses such as to be able frequently to offer useful advice for decision taking.

As business organisations became more complex, the management accountant was born, specifically to adapt his basic knowledge of the use of figures to provide background for decisions. An increasing number of accountants left public practice to enter industry and commerce for this purpose, while a new branch of the profession developed whose students were educated and trained within industry itself.

Our present problem, in my view, is that in the main the profession is prepared to reject the simple but narrow concept of the first proposition, but finds difficulty in deciding how best to cope with implementing the much more complex concept of the second.

Allied to our internal problems is the vital question of how the outside world

sees us. In essence, commerce pays us the complement of recognising our training as fitting us to speak the language of figures and being suited to interpret data and advise on appropriate courses of action over the whole range of business activity. Unfortunately however, the public in general is too often inclined to look upon us as only meeting the first proposition, and until we can so arrange our education and training affairs such as to enable us to demonstrate more widely and effectively the real breadth of an accounting qualification, it seems unlikely that we shall be able to do much to alter this impression.

What should an accountant know?

Knowledge of any subject can take two forms: first, the expert in-depth knowledge which makes a person a specialist, able to carry out the most complex activities involving that specialism and, secondly, the broad understanding of a subject which enables a person to communicate and work effectively with a specialist in that subject.

In fulfilling the wider role of an adviser, the accountant will have contact with every kind of specialism involved in business, the common factor of his involvement usually being his ability to quantify the data relating to a business problem. The task of quantification requires either a direct knowledge of the physical characteristics of the problem or the ability to make effective use of such knowledge obtained from other specialists.

Ideally, therefore, the studies and training of an accounting student need to

be so related as to make him strong in his own specialist areas and with a sufficient understanding of other subjects, and a suitable approach, to enable him to play a full part in any multi-disciplinary situation requiring financial quantification.

With the above considerations in mind, we can now set out and consider a set of questions, discussion of which should hopefully make a constructive contribution to the thinking regarding the future education and training needs within the profession as a whole. The questions postulated are as follows:

- (1) What should be the aim and content of our examinations?
- (2) How should we relate education to training?
- (3) Is there a case for a common examination syllabus for the CCAB bodies, with streaming to provide for different branches of the profession?
- (4) What part should PQE/CPE play in the education process?

Aim and content of examinations

The present examination syllabuses of the accounting bodies have been evolved as a result of an immense amount of deliberation by many of the most able thinkers in the profession. Not least among the problems they have faced is that a strong case can be made for greater emphasis being given to practically every subject in each syllabus to the detriment of every other! However, the range and depth of knowledge required is now already so great that we may be in danger of reaching or even passing the point at which we are stretching too far the capacity of a reasonable student to absorb and retain what he is taught.

Another limiting factor is the requirement to learn in an environment of constant change, not only in the continuously moving targets presented by taxation, but in the less obvious but perhaps more insidiously complex evolution of quantitative methods supported by the advance of mini-computing.

In business, one of the most difficult but yet necessary decisions a manager has to make is the discontinuance of failing products or operations. So in

The author is an ICMA Council member and Gold Medallist. The views expressed throughout this discussion paper are, however, entirely personal, and do not necessarily reflect the policies of the Institute, its Council or committees.

Student Roundabout

examination syllabuses, when we feel the need to add new elements, more consideration should be given to the elimination of others so that we are not, over time, steadily but consistently increasing our demands on the already stretched student.

Beneficial impact

I must emphasise that I am not asking for a drop in examination standards, but for a greater concentration in determining and working towards those aspects of testing which will have the most beneficial impact on the student's future career. Examination questions nowadays have tended to become increasingly practical and less of a test of memory – which is a good trend, but only if the student has been given adequate on-the-job training, especially at advanced levels, to support his studies in this subject.

As to the content of questions, I would like to see more emphasis on the understanding of principles and less on the time-consuming quantifications which still have a dominating influence on so many subject papers. If examinations were less of a race against time, more scope would be provided for a student to show clarity of expression and evidence of conceptual thinking, both of which will be essential to him if he is to reach the higher levels of financial management. I am not suggesting that tests in practical subjects such as financial and cost accounting can be other than substantially figure-oriented; but I am asking whether there might be some reduction in the extent of number manipulations required and more sections of the questions based on explanations of the principles involved.

Relating education and training

However, the nature and content of examinations must be very closely related to the whole process of study and training and if this process is adequate in itself, then it is easier to provide tests which play their own part in helping to prepare the student for professional life.

Every accounting student faces problems in obtaining the necessary balance between the theory required to pass examinations and the practice required to meet his professional body's training

needs. In general, the problem for the industrial or commercial trainee is to obtain sufficient practical experience in the financial accounting field and for the student in public practice to be sufficiently exposed to management accounting and the industrial aspects of quantitative techniques.

The most serious aspect of this situation, from the student's viewpoint, is that there is a limit to the ability of reasonably endowed people to learn increasingly complex processes, while at the same time their practical training is requiring deeper involvement in other complex processes.

Increasing responsibility

Examples of the position are, first, in respect of the student in practice approaching his final examination part who is expected to obtain a good working knowledge of advanced management accounting principles, especially relating to budgetary control and standard costs, while at the same time his 'stewardship' training has advanced him to the stage where his principal can reasonably expect him to undertake increasing responsibilities in client audits. Secondly, the young financial analyst in industry, immersed in the complex procedures of budgetary control or evaluation of major capital projects, may face the dilemma of reluctance both on the part of his employer and himself to ensure that he obtained a sufficient period of training in the more 'passive' financial accounting field.

As a result, in my opinion, too many students in practice fail their final part (especially the ICAEW's PEII) and too many students in industry are taking too long to complete their examinations and to obtain the necessary training (especially to meet ICMA requirements).

It is difficult to see how satisfactory solutions can be found to these problems unless we can reach a much closer interdependence between the levels of theoretical knowledge required for the various examination subjects and the levels of simultaneous practical experience required to enable the student satisfactorily to master the theory. It does not seem reasonable to expect satisfactory answers to complex budget preparation problems, or to questions

involving the principles of finalising and consolidating accounts, from students who have not been able actively to participate in such work in an environment which gives them a high level of involvement, in terms both of time spent and of personal responsibility.

So what can be done? The answer does not lie entirely in all-graduate recruitment, though undoubtedly the graduate's wider theoretical training and examination experience is a significant help in passing further tests. The problems of relating theory and practice are often just as difficult for the graduate as for the non-graduate, though one significant difference is that the graduate is better prepared, as a 'generalist', to ensure for himself an environment in which he will be able to balance the two aspects.

What in my view can be done, though requiring much careful preparation, is an acceptance by the CCAB bodies of the necessity for a combined effort to rationalise education and training procedures, the need for which was well argued in the Solomons proposals *Prospectus for a Profession* [*The Accountant*, May 30th, 1974]. Another helpful contribution to this debate comes from ACASS, whose long-term policies on this issue were clearly summarised by Margaret Greenwood in the 1978 *ACASS Handbook*.

Common examination syllabus

Let me say straight away that I am not proposing integration or federalisation of the profession, which is a subject beyond the scope and intention of this paper. I am suggesting that what can be done at the technician level can also be effected at the senior level.

As a starting point, two fundamental requirements can be identified: first, that all accountancy students should receive a basic education in all subjects directly related to the work of the profession in all its branches and, second, that at the more advanced stages, theoretical education in the professional subjects should be closely linked with simultaneous practical work experience supportive of those same subjects.

The first requirement could be met by agreement through CCAB for a common first-stage examination, probably based

Student Roundabout

substantially on the subjects currently covered in the foundation and primary professional stage(s) of the CCAB bodies. Essential subjects would seem to be financial and cost accounting, company law and taxation, economic analysis, mathematics and statistics, auditing systems, management information systems (including data processing) and basic principles of production and marketing. During this period the student could be receiving basic training, rather as at present, either in public practice or in an industrial or commercial concern; and at this stage his practical experience will lie principally in introducing him to the disciplines of the profession, developing his analytical powers and exposing him to different types of business organisation, or in industry to the information requirements of the various functions of the business. While the first stage is therefore concentrated on theoretical study, the second stage would be concerned with relating advanced theory closely with practice. The basic studies and experience gained at the early stages should have greatly helped the student to decide as to which branch of the profession he wishes to pursue, and now at the final stage he will be concentrating on the subjects most related to this branch. To ensure that proper time is given to theory and practice, it seems desirable at this stage for the student to follow a sandwich course with periods of undiluted study and training, the essence of which would be a direct linking of studies with the work experience.

Professional opening

This procedure would also avoid the need for an all-graduate entry, thereby providing an opening in the profession for numerous suitable candidates who for various reasons have not been able to follow a degree course. In time, with the co-operation of universities and polytechnics, the sandwich course could perhaps be aimed at an accounting degree so that all members of the profession end up as graduates. (It is accepted that, in this case, the sandwich arrangement would probably have to commence at the earliest stage of a student's training; even so, it could still be related to a common base as suggested above.)

I would emphasise that in my view, sandwich courses should provide a real combination of study and on-the-job training – by which I mean that the training should be obtained in a real life environment and not just in instruction centres. Undoubtedly the latter can provide a training framework which precisely covers the practical areas of professional work; what they cannot provide to the same degree is exposure to the unexpected problem, or coping with inadequate data, which are of the essence in preparing a student for the realities of business life. Whether in practice, or industry, or as an adviser, the accountant who has been trained in a real-life environment will usually have the best chance of a satisfactory career.

Same objective

But, the reader may ask, how is it going to be possible for the smaller practice or industrial concern to train students in such a situation? I suggest that we should not expect them to fulfil that role and that indeed, in my view, the larger practising firms and businesses have a responsibility to ensure the maintenance of growing acceptance that it is healthy for large businesses to provide advice and help to smaller concerns, thereby helping to improve the whole economy and their own prospects with it; surely the same objective applies to meeting the demand for a sufficiency of adequately trained professional people?

The 'streaming' process would not involve the complete elimination of study in subjects outside the specialist branch, but any examinations in those subjects would have to take into account the lesser practical experience obtained, and questions framed accordingly. In-depth tests, requiring deep practical knowledge, would be applied only to the subjects of the specialism, and questions relating to the use of quantitative techniques would also be concerned mainly with the applications of such methods within the specialist areas.

Continuing education

So, the critics will say, accountants are going to be turned out who are even more specialised than they are now. Practising accountants will be even less suitably prepared to enter industry, and

industrial accountants may end up still lacking the sound financial training needed for a finance management job.

The answer to these criticisms lies in giving CPE/PQE a direct role in rounding off the complete accountant. Specialists can remain specialists if they wish and any post-education studies undertaken need then relate only to that specialism. Practising accountants wishing to enter industry or to become management consultants could undertake further studies, eg in advanced management accounting and industrial applications of quantitative techniques, while industrially trained accountants, finding a greater penchant for financial accounting and taxation, could opt for a course of studies and training requiring a transfer to public practice. At the end of this further training, each could receive a further certificate designating his competence to practise in all branches of the profession. It might be useful even at this final stage to maintain the sandwich course approach to ensure a satisfactory balance between this further development of theory and the related work experience.

What about training contracts? The ICMA position is that a student is required to record in his log book details of his experience as it is obtained which has to be verified by a person acceptably able to support his claims, but no formal contract is needed. This provides for more freedom of movement than a formal contract between principal and student, though I would personally accept that such contracts do provide relationships which have certain advantages for both parties. It might well be possible to adapt them to the procedures outlined in this paper.

Conclusion

At present, the ICMA has much less of a problem with its education and training procedures, as these are oriented towards only one accounting stream – that relating to industrial and commercial management accounting. Its concern is rightly to try to ensure that its students are adequately prepared in those aspects of accounting which they need if they are successfully to advance to senior financial management positions. However, the ICMA could not reasonably extend its examinations to cover the advanced stage of such sub-

Student Roundabout

jects as auditing, taxation, executorship law (or liquidations) as it would be very difficult, if not virtually impossible for its students to obtain appropriate supportive training therein at such an advanced level.

Yet I feel that quite a number of ICMA students, having passed their management accounting examinations, might welcome the chance to study and train in the remaining parts of the accountants art at an advanced level, such that they could elect to follow a career in practice if they so desired. It also seems to me that any person wishing to become an effective management adviser benefits from having studied and obtained practical work experience in all the profession's subjects.

As to students in the public practising stream, I would suggest that their own career requirements and their employers' needs would be more likely to coincide if their advanced studies and training were 'streamed' and therefore more closely related, as such senior students could then be granted significant responsibilities in audit and allied work, without excessive diversion at this stage by the need to cope at an advanced level with the less related subjects of management accounting and industrial quantitative techniques.

Summed up

My suggestions can be summed up as embracing a common primary stage of professional education, with basic training in any stream, followed by specialisation at a second stage, at which studies and training are linked, leading to a qualification with a body appropriate to that specialism. This could be followed if so desired by a third stage which would cover the advanced theory and practice of those accountancy subjects which did not require to be studied in such depth at the specialist stage.

Change is always difficult, but change of some kind is clearly desirable. Perhaps the greatest benefit of all could come if, by succeeding in rationalising our education and training procedures and aims, we can thereby make it much simpler to get our objectives and aspirations much better understood and accepted by the world at large.

Sealing the Student Split?

It appears as though a solution acceptable to both sides of the CASSL/ACASS dispute ('Roundabout', September 20th) has been worked out by the joint liaison committee. However, agreement of the member societies of the national body has yet to be secured.

Rejection by Council of both CASSL's demand for 38 per cent of the vote on a poll and the proportional representation called for by the ACASS executive left the London executive with no option but to follow their mandate and arrange a special general meeting on December 10th to consider withdrawal. For CASSL, consisting of nearly half the entire ICAEW student population and paying 45 per cent of the ACASS budget, their representation of less than a quarter seemed grossly unfair.

With their own offices, lecture theatre, bar and full-time administrative staff, CASSL were seriously considering whether or not they would be better off all round by 'going it alone'. There would then be two associations – one representing the special needs and interests of London students and the other looking after the different needs of those in the provinces. However, there would then no longer be a 'national campaigning voice' for students, and the Institute might not be prepared to recognise two bodies.

Realising CASSL's mood, the ACASS executive, in particular those on the joint liaison committee, have made a real effort to find a solution that is fair all round. The CASSL motion for 38 per cent failed to take account of other societies and work out their new representation; also, due to the general lack of communication, several other societies failed to appreciate CASSL's motives. Proportional representation was thrown out because it would remove the



Ian Davies (left) and Neil Haines – finding a solution?

present weighting for smaller societies and make them ineffective at Council.

The new formula changes the way that voting strength is calculated. At present the actual membership of each society is added to the average of all 27 and then divided by 2. It is proposed to change this to actual membership plus one-fifth of the average, divided by 1.2, giving CASSL 38.1 per cent of the vote.

A society such as Cumberland, with 38 members, would still have a voting strength far in excess of its numbers – three times as much, in fact. If the JWPSS suggestions are implemented when they report in January, societies with less than 150 members will be compulsorily amalgamated.

Although the end result still means a reduction in strength for all societies except London, Ian Davies, ACASS president and member of the joint liaison committee, is hoping that the other societies will accept what he sees as a very fair solution. He has written to them all explaining the situation, promising to send an ACASS executive member along to any society to discuss it in more detail. What he wants before December 10th are letters from at least two-thirds of them saying that their members will be mandated to approve the increase at the next Council.

He will then be able to attend the SGM and argue that London's reason for secession no longer exists. Neil Haines, CASSL chairman, while welcoming the solution, feels that his members will need convincing that the other societies are really behind the change.

The Association of Chartered Accountant Students' Societies announce that on October 26th they will be moving from London Wall to their new premises at 27 Chancery Lane, London WC2A 1NF (tel: 01-404 4260).

Notice Board

PROFESSIONAL NOTICES

Binder Hamlyn and Viney Merretts announce that they have agreed to merge their practices in London as from May 1st, 1980. The merged firm will practise in the name of Binder Hamlyn.

Malpas, Simmons & Co and C. G. Latchem & Co, Certified Accountants, announce the merger of their practices from October 1st, 1979. Mr D. G. Latchem is to retire due to ill health and his partner Mr E. R. Hadaway will become a partner in the new partnership. The combined practice will be carried on in the name of Malpas, Simmons & Co (incorporating C. G. Latchem & Co) at the Salisbury office of Malpas, Simmons & Co, 31a Market Place, Salisbury.

Robson Rhodes announce that the Australian firm of Wallace McMullin & Smail, with offices in Melbourne, Sydney, Adelaide, Brisbane, Darwin and Alice Springs, has joined their international firm of Dunwoody Robson McGladrey & Pullen.

With effect from October 1st, 1979, Mr Monroe E. Palmer and Mr Jonathan M. Marshall, previously partners in Felton & Palmer, are now practising as Palmer Marshall from Marlee House, 34a North End Road, London NW11 7PT.

ACA HEALTH SERVICE GROUP

The Council of the Association of Certified Accountants has approved the formation of a 'Certified Accountants Health Service Group' to reflect the particular interests of members and students holding appointments within the Health Service.

Interested prospective members of the group are invited to register their names and addresses with Mr M. P. Tuner, ACCA, 12 Winsford Grove, Gilwern, Abergavenny, Gwent.

APPOINTMENTS

Mr Nicholas F. D. Anstead, BSc, ACA, has been appointed to the board of recently formed Halma Group subsidiary S & P Coil Products Ltd, as financial director.

Mr Mark Beesley, FCA, has been appointed accountant to The Royal London Mutual Insurance Society Ltd.

Mr T. Berridge, FCMA, has been appointed regional finance director of Warner-Lambert (UK) Limited.



Mr T. Berridge



Mr P. Bishop

Mr Peter Bishop, ACMA, has been appointed a director of J. H. Haynes and Co Limited.

Mr K. F. Dibben, BCom, FCA, MBIM, has been appointed southern regional adviser to Development Capital Ltd.

Mr Ian R. Findlay, FCCA, has been appointed managing director of Hilti (GB) Limited.



Mr I. R. Findlay



Mr R. Logan

Mr Robin Logan, ACMA, ACIS, has been appointed financial controller of a major project for the Saudi Arabia National Guard.

THE ASSOCIATION OF CERTIFIED ACCOUNTANTS

Member Excluded

The Association's Appeal Committee on September 13th, 1979, upheld the finding of the Disciplinary Committee that Mr Jackson Makokha of PO Box 50841, Nairobi, Kenya, had been guilty of professional misconduct by submitting letters that were not genuine when applying to the Association for a practising certificate. The Committee also upheld the Disciplinary Committee's penalty that Mr Makokha be excluded from membership.

Member Admonished

The Association's Disciplinary Committee on August 3rd, 1979, found that a member had been guilty of professional misconduct in that he failed to implement an undertaking made to the Investigations Committee that he would deal expeditiously with outstanding matters relating to an estate in bankruptcy.

The Committee ordered that the member be admonished, but did not consider that this was a case in which it was necessary to publish the member's name.

Students' Register

The Student Services Committee has endorsed the action of the Registrar in removing a student from the register for having obtained funds by deception from the Department of Health and Social Security.

REGISTRY OF FRIENDLY SOCIETIES

Mr John A. Walter, FCA, Assistant Registrar of Friendly Societies, retired at the end of September. He is succeeded by Mr J. D. Bird, FCA on secondment for a period of two years from the firm of Ernst & Whinney, Chartered Accountants.

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS

Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

Notice Board

ICAEW REGISTER OF MANAGEMENT CONSULTANCY

The following organisations have been accepted onto the ICAEW Register of Management Consultancy Organisations:

Peat, Marwick, Hassan & Co, 34 Abdel Khalek Sarwat Street, Cairo, Egypt.

Hatch Associates, 31 Clanricarde Gardens, Tunbridge Wells, Kent TN1 1PE.

CHANGES OF ADDRESS

The Scottish Office Accounts Commission and the Controller of Audit are now at 18 George Street, Edinburgh EH2 2QU (031-226 7346).

On and after October 20th, the secretariat of the Occupational Pensions Board will be at Commission House, 20 Grosvenor Hill, London W1X 0HX (01-629 8233). The OPB executive office remains at Apex Tower, High Street, New Malden, Surrey (01-942 8949).

LIFE JACKET FOR EMPLOYEES

When companies get into financial difficulties a major consideration is the effect on employees. Their rights are protected by complex legislation.

Two insolvency experts from Peat, Marwick, Mitchell, Messrs Guy Parsons and Bill Ratford, have produced a comprehensive guide for those concerned with interpreting and applying the law relating to employees in corporate insolvencies.

(Employees Rights in Receiverships and Liquidations. Tolleys, £14.95.)

Courses and Conferences

October 25th: 'Developments in Auditing II', North British Hotel, Princes Street, Edinburgh.

The Director of Post-Qualifying Education, ICA of Scotland, 27 Queen Street, Edinburgh, EH2 1LA. £54.

October 25th-26th: 'Tax Updated', Brighton.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 25th-27th: 'Taxation of the Larger Company', Eastbourne.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 25th: 'Tax Planning for Family and Close Companies', Kendal.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT.

October 26th: 'Introduction to Anti-Avoidance Legislation', London.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 26th-28th: 'Share Valuations and Taxation', St Austell.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 26th: 'The New Sharp Commodity Database'.

I. P. Sharp Associates, 132 Buckingham Palace Road, London SW1 (01-730 0361).

October 28th-November 16th: 'Management for the Young Executive', at the Peebles Hotel Hydro.

ICA of Scotland, 27 Queen Street, Edinburgh EH2 1LA (031-225 3687). £600.

October 29th: 'Company Tax Workshop', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT.

October 29th: 'Current Approaches to the Design of Management Accounting Systems', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT.

October 29th: 'How to Appeal to the Commissioners', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT.

October 29th: 'Company Reports and Financial Statements', London.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 29th-30th: 'Industrial Relations', London.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 29th-31st: 'International Financial Management', Eastbourne.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 29th-November 2nd: 'Principles of Management Control', London.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 30th: 'Going Public - The Inside Story', Manchester.

Manchester Society of Chartered Accountants, Ship Canal House, King Street, Manchester M2 2AD. £7. Evening lecture 5.45 inc. buffet.

October 31st-November 1st: 'Current Tax', Station Hotel, Perth.

The Director of Post-Qualifying Education, ICA of Scotland, 27 Queen Street, Edinburgh EH2 1LA. £115 (residential), £105 (non-residential).

October 31st: 'Back Duty Practice and Inland Revenue Enquiries', London.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £55.

October 31st: 'Recent Accounting Standards', Aberdeen.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £40.

October 31st: 'Current Cost Accounting', Bury St Edmunds.

The Courses Dept, CAET, 9 Museum House, Museum Street, London WC1A 1JT. £40.

October 31st: 'Capital Budgeting', Liverpool.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 31st: 'Changes in Company Law', Preston.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 31st: 'Tax Planning for the Family Company', Birmingham.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 31st-November 2nd: 'Effective Management of People', London.

ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ (01-628 7060).

October 31st: 'Accounting for Goodwill', London.

London Society of Chartered Accountants, 38 Finsbury Square, London EC2.

John Foord
chartered surveyors
plant and machinery valuers

It's Later Than You Think

If you have not already placed your order for the 1980 editions of *The Accountant* diaries, please use the form below to do so now.

THE ACCOUNTANT *Diary 1980*

LABEL

NAME _____

APPOINTMENT HELD _____

COMPANY NAME _____

ADDRESS _____

If undelivered please return to
GEE & CO. (PUBLISHERS) LIMITED
151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Notes _____

STRICTLY CASH WITH ORDER
DESPATCH OF DIARIES WILL BEGIN DURING NOVEMBER
NO ACKNOWLEDGEMENT OF ORDER WILL BE SENT

ORDER FORM

THE ACCOUNTANT *Diary*

Please supply

	Price each inc. Postage & Packing	Quantity*
DESK DIARY	£5.20	
POCKET DIARY	£4.15	

*Insert number of copies required above

Diary Total: £ _____

plus VAT @ 15% £ _____

Remittance enclosed: £ _____

VAT Registration No. 239 1838 41

Registered in England 115503



Victoria Valuers

stocktaking
inventories
and asset
valuations

9 Golden Square
London W1R 3AF

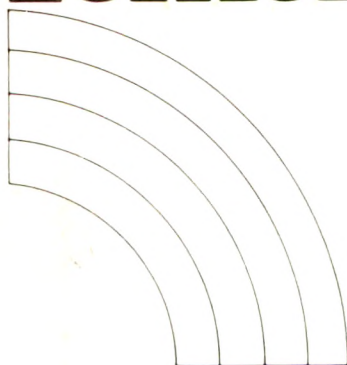
01 434 1718

**industrial
retail
wholesale**



stocktakers and advisers on stocktaking procedures

Tomorrow's plans today



The worldwide Skandia Insurance Group has expanded its UK operations in the life and pensions markets. Skandia Life offers sophisticated and tax efficient plans to meet the needs of

- ☼ the self-employed
- ☼ the Company director
- ☼ the regular saver
- ☼ the lump sum investor

As these needs will inevitably change the plans can be adapted each year to meet the new circumstances.

What's special about Skandia Life?

- ☼ The balance between investment and protection can be adjusted each year as needs change.
- ☼ Life assurance benefits can be inflation proof — without further medical evidence.
- ☼ Investments can be Unit Linked and/or on a Guaranteed Basis.
- ☼ Especially favourable treatment for the larger investor — up to 105% allocation.
- ☼ For lump sum investors — the Flexible Investment Bond, which offers additional allocations every 5 years and life cover to meet particular needs.
- ☼ Top market rates offered by the Skandia Guaranteed Income Bond and the Skandia Guaranteed Growth Bond.
- ☼ Investments with Skandia Life are managed by the Bank of Scotland.



SKANDIA LIFE

For more details, contact your Insurance Broker or telephone Hilary Whalley on 01-353 8511 who will put you in touch with an Insurance Broker in your area.



THE

ACCOUNTANT

ESTABLISHED 1874

NOVEMBER 1st, 1979

30p

166

Hampers bring happiness

GEE'S SPECIAL
CHRISTMAS OFFERS
FOR READERS OF
THE ACCOUNTANT

Nothing says Happy Christmas or Thank you quite as convincingly as a carefully selected hamper of top quality food and wine. Readers of the Accountant can choose from a carefully selected range of hampers at competitive prices and with attractive quantity discounts. Buy them for personal gifts, for your staff, clients and colleagues. They can be delivered direct to any UK address and your own personal greeting card can be included. Orders received by Dec 1 can be delivered before Christmas. Complete the coupon NOW!

This hamper is also available packed in a 24" Willow Cane Basket. When ordering, please use REFERENCE: R.H. 19/B. Additional Price: £12.35



The Knight's Hamper £22.00 + £1.86 carr.

1 bottle Gonzalez Byass La Concha Amontillado Sherry
1 bottle Gonzalez Byass Fine Tawny Port
1lb Fruit & Cherry Cake by Gateaux of Ireland
15oz tin Australian Gold Choice Peach Halves
7½oz tin Smedley Blackberries in Syrup
6oz tin Plumrose pure Dairy Cream
7½oz tin Lockwoods Grapefruit Segments
7oz tin Derwent Lean Mild Cured Ham
138g tin Shippams Chicken in Supreme Sauce
14½oz jar Robertsons Mincemeat
150g pkt. Cadbury's Milk Chocolate Assorted Biscuits
4oz tin Plumrose Cocktail Sausages
4½oz tin Goddess Sardines in Oil
2½oz tin Plumrose Pate de Foie
10oz tin Hartleys New Jersey Potatoes
10oz tin Hartleys Mixed Vegetables
15oz tin Frank Coopers Cream of Pheasant Soup
8oz Matthew Walkers Traditional Christmas Plum Pudding
1½oz pkt. Southern Fried Coat & Cook
35g jar Shippams Crab Paste
9oz tin Smedleys Sausage Rolls
6oz tin Ambrosia Devon Custard
3½oz jar Noels Black Cocktail Olives
75g box Peek Freans Cocktail Twiglets
60g pkt. Vacuum sealed Bahlsen selected Peanuts
4oz box Penguin Orange and Lemon Slices
150g box Callard & Bowser Mint Chocolate Creams
8oz box Terry's All Gold Plain Chocolate Assortment

The Wine Basket £31.55 + £2.00 carr.

1 16" Willow Cane Picnic Basket
1 bottle Charles Heidsieck Brut Cuvee Champagne
1 bottle Taylors 20 year old Port
1 bottle Beaujolais 1977
1 bottle Liebfraumilch 1977
1 bottle Gonzalez Byass Tio Pepe Sherry



The Countess Hamper £32.28 + £1.91 carr.

1 bottle Beaujolais A.C. Vintage 1977/78 (a mellow-red Burgundy)
1 bottle Liebfraumilch Vintage 1977/78 (a light Medium white Rhine Wine)
1 bottle Perelada Brut (a light medium dry method Champenoise Sparkling Wine)
8oz tin Culrose Prime English Ox Tongue
14oz H & T Walkers Cannelloni in a foil tray
500g tin Karina Danish Butter Cookies
1lb Pear shaped tin Derwent Lean Mild Cured Ham
1lb Matthew Walker Export Quality Traditional Christmas Plum Pudding made with Rum and Brandy
5oz tub Noels Brandy Butter
15oz tin Frank Coopers Cream of Scampi Soup
15oz tin Frank Coopers Duck Soup with Orange
10oz tin Wessex Fare Pour on Sauce for Fish with mussels, prawns, crab and mushrooms
6oz jar Charles Gordon English Vineyard Mustard
9oz tin Smedleys Sausage Rolls
2½oz tin Plumrose Pate de Foie
200g drum Green Dragon Bakery All Butter Spice Biscuits
4oz jar Noels Red Maraschino Cocktail Cherries
3½oz jar Noels Black Olives
35g jar Shippams Crab Pate
6½oz jar Ocean Spray Cranberry Sauce
15oz tin Australian Gold Bartlett Pear Halves
8oz tin S & W Hawaiian Pineapple Slices in Pineapple Juice
4oz tin Plumrose Cocktail Sausages
125g tin Danish Mackerel Fillets in Oil
138g tin Shippams Chicken pieces in Supreme Sauce
4oz pkt. Planters Dry-Roasted Peanuts
75g pkt. Peek Freans Cocktail Twiglets
170g drum Cravens Original Sugared Almonds
8oz box Terry's All Gold Plain Chocolate Assortment



The Duchess Hamper £53.30 + £2.18 carr.

1 bottle Taylors Special Tawny Port
1 bottle Gonzalez Byass La Concha Amontillado Sherry
1 bottle Blue Nun Liebfraumilch 1977
500g tin Karina Danish Butter Cookies
1½lb Gourmet Poulet Paprika (Portion of Chicken with tomato in Paprika Sauce with cream & White Wine)
14oz Foil Tray H & T Walkers Cannelloni
15oz tin Grants Game Pie Filling
15oz tin Frank Coopers Duck Soup with Orange
10oz tin Wessex Fare Pour on Sauce for Fish with Mussels, Prawns, Crab and Mushrooms
150g tin Danish Mussels in Brine
10.9oz tin Blue Dragon Lychees in Syrup
29oz tin S & W Whole Yellow Cling Spiced Peaches
17oz tin S & W Fancy Whole Extra Large Kadota Figs
15oz jar Raffetto of New York Harlequin Stuffed Oranges (stuffed with melon, pineapple, cherries and prunes)
10oz tin Wessex Fare Condensed Crab Soup with Brandy
4oz jar Noels Red Maraschino Cocktail Cherries
125g tin Petit Patre French Camembert
8oz jar Sharwoods Green Label Mango Chutney
2oz tin Aiglet Rolled Fillets of Anchovies with Capers
5½oz tin Caugant French Duck and Grand Marnier Pate
65g box Bahlsen Petit Fours au fromage
200g drum Green Dragon Bakery All Butter Spice Biscuits
14½oz jar Matthew Walkers Mincemeat
138g tin Shippams Pieces of Chicken in Supreme Sauce
4oz Kenco Brazilian Mild Roast Ground Coffee
9oz tin Hungmei Whole Baby Chinese Clams
125g tin Danish Mackerel Fillets in Oil
8oz jar Noels Stem Ginger in Syrup
1lb Dimple jar R & W Scotts Damson Jam with Kummel
6oz jar Charles Gordon English Vineyard Mustard
3½oz jar Noels Black Cocktail Olives
4oz tin Wardour Whole Button Mushrooms
70g box Bahlsen Mixed Nut Kernels
1lb box Beaver Lodge Apple Sugarfruit Pieces
170g drum Cravens Original Sugared Almonds
8oz box Dorlon Victorian After Dinner Chocolate Mints
8oz box Terry's All Gold Plain Chocolate Assortment

Send order to:- GEE & Co (PUBLISHERS) LIMITED, 151 Strand, London WC2R 1JJ

ORDER FORM

YOUR NAME AND ADDRESS

ADDRESS OF RECIPIENT*

*If more than one address please list on separate sheet. Please also include your personal greetings card(s) if required.

PLEASE SEND TO ADDRESS(ES) AS SHOWN:-

QTY.....	KNIGHTS HAMPER AT £22.00	CARR. AT £1.86
QTY.....	COUNTLESS HAMPER AT £32.28	CARR. AT £1.91
QTY.....	DUCHESS HAMPER AT £53.30	CARR. AT £2.18
QTY.....	WINE BASKET AT £31.55	CARR. AT £2.00
TOTAL		TOTAL
LESS DISCOUNT		The carriage charge is NOT discountable
PLUS CARRIAGE		Cheques payable to:-
CHEQUE ENCLOSED FOR		GEE & Co (PUBLISHERS) LIMITED.
Quantity discounts: for two or more hampers the following discounts apply (except for carriage charge) Value £50 to £100 - 5%, £101 to £250 - 7½%, £251 to £500 - 10%, £501 to £1500 - 12½%, £1501 to £2500 - 15%, £2501 to £5000 - 17½%.		

THE ACCOUNTANT

The Professional Weekly

NOVEMBER 1st, 1979

Editor:

M. Barradell, LLB, FCA

151 Strand

London WC2R 1JJ

Telephone 01-836 0832

Vol. 181. No. 5466

In this Issue

619

Conflicting Views on ED24

624

How Much for Those
Hidden Reserves?

Edward Symonds

629

Accounting for Leases

1: The Case for Capitalisation

J. J. Glynn, MA, ACCA

632

Fair to the User

Amory Pakenham-Walsh,
MA, FCCA, JDipMA

633

Clarification on Double Tax

635

Confessions of an
Eccentric Gardener

H. T. Chambers

638

Planning for Recession

646

The Cost of Opportunity

Bryan Holmes

Current Affairs

619

This is My Life

622

Accountant Abroad

624

Revenue Report

633

Accountant at Leisure

635

Financial Accountant

638

Student Roundabout

646

Letters

650

Notice Board

651

Cover: Green fingers in Staples Inn – the garden forecourt of the Institute of Actuaries' headquarters. Gardening is the latest activity to be featured in 'Accountant at Leisure', on page 635.

Open to Review?

In maintaining a common legislative structure for all corporate entities from the largest quoted companies to the smallest family business, the United Kingdom is falling progressively further out of line with most of the world's developed economies – not only with her EEC partners but also with North America and with large areas of the 'Old Commonwealth'. Against the background of the recent Green Paper on company disclosure (Cmnd 7654, *The Accountant*, September 13th), the CCAB Audit Practices Committee this week released its discussion paper *Small Companies: the Need for Audit*.

The case for replacing the full rigours of an audit, *stricto sensu*, with some form of 'review' for the smallest category of limited company has been actively debated within the accountancy profession for some years; certainly since the publication of Mr Kenneth Sharp's 1970 Summer Course paper 'Smaller Audits – Bigger Problems' in *The Accountant* of July 16th and 23rd, 1970. Now the APC is seeking the views of a wider group of users of accounts, including directors of small companies, their bankers, trade associations, and the Inland Revenue.

Arguments for and against preserving the full 'audit' requirement in this sector are finely balanced; the APC paper, being a discussion document and not a recommendation, very properly gives equal prominence to both points of view. Thus, for instance, 'the independent examination and attestation of the auditor' provides a valuable additional assurance for bankers and other creditors; *per contra*, this is by no means their only safeguard or avenue of inquiry. The argument that the audit requirement is part of the price of limited liability is countered by the fact that, for many small businessmen, the protection of limited liability has been largely eroded by personal guarantees, and that the Companies Acts impose the same audit requirements on both limited and unlimited companies.

There is at present no generally accepted definition of the form that a 'review' might take. This deficiency the APC paper attempts to supply by calling attention to 'the precautions that a competent accountant would take if he were preparing the statements himself', including reasonable procedures to ensure accuracy; the consistency and appropriateness of accounting policies; adequate explanation of anomalies or unexpected items; and fairness of presentation and compliance with disclosure requirements.

Unhappily, it has already been made clear that the discussion paper also offers scope to a lunatic fringe of tendentious axe-grinders whose natural instincts lead them to think, and even to speak, in such terms as 'keeping everything so flexible as to make audit qualifications unnecessary' and 'paying £500 to some tuppenny-halfpenny firm of accountants to have the accounts rubber-stamped'. If the paper is to achieve its intended purpose, we can only hope that those to whom it is addressed will be more adult than this in their approach. The accountancy profession can benefit from informed discussion and honest criticism, but not from mindless discourtesy.



Tax Avoision

Numerous sayings, doubtless many of them apocryphal, are attributed to Mr Gladstone; but what he did say in 1874 (the final year of his first Premiership) was that 'income tax makes a nation of liars'. A General Election was pending and, as part of his campaign, Gladstone offered to repeal income tax; alas, it was not to be, and that was the last time the suffering taxpayer ever heard of getting rid of it altogether.

At this point our readers will still be wondering about the title, which we would explain is that of the latest publication by the Institute of Economic Affairs. The IEA Readings are devised to refine the market in economic thinking by presenting varying approaches to a single theme in one volume. However much it jars on the ear, 'tax avoision' was coined to describe the emerging amalgam and to indicate the moral blurring of the legal distinction between avoidance and evasion.

Tax avoidance of one kind or another is probably as old as civilisation itself. Select Committees of 1851 and 1861 both took evidence on evasion, although the standard rate of income tax was then only 7d and 10d and applied solely to incomes well in excess of the wages of 95 per cent of the working population. In 1905, the standard rate was 1s in the £ in respect of annual incomes exceeding £600: at that time 90 per cent of the working population was earning between £100 and £150 pa, yet a Departmental Committee reported that in the sphere in which self-assessment was still requisite, a substantial amount of fraud and evasion existed.

However, it is only in the late 1960s and in the current decade that tax avoidance has become a highly sophisticated industry, led by masters of the art whose schemes have reputedly netted a cool £5 million for their authors. Not unnaturally, such activities have not found favour with either the Inland Revenue or their masters at the Treasury. In his April 1978 Budget, former Chancellor Denis Healey rocked the tax avoidance industry by introducing retrospective legislation which killed the 'commodity carry scheme' *ab initio*, and gave a clear warning that similar action would be taken against any new scheme marketed in the future.

It is clear that the change of government has not altered such determination; indeed, there are explicit indications of an intention to protect the tax base of which benefits in kind (yes, they do constitute a form of tax avoidance) is only one aspect. During the Third Reading of the Finance Bill, the Chief Secretary to the Treasury, Mr John Biffen, referred to the past establishment of a whole system of exemptions and privileges which needed to be re-examined.

Nevertheless, it cannot be denied that the cost to the Treasury of tax avoidance is swamped by the loss of revenue from evasion. As is well known, earlier this year, the Chairman of the Board of Inland Revenue, Sir William Pile, gave evidence to the House of Commons Expenditure Committee which thereby fails to reach the coffers of the Treasury represents about £60 per head of the population. is some 7½ per cent of the GNP, and the £3,000 million of tax which thereby fails to reach the coffers of the Treasury represents about £60 per head of the population.

There appear to be three main groups providing evaders: the self-employed, employees who either 'moonlight' or persuade

their employers that overtime is not subject to PAYE, and some registered unemployed who double up a gainful occupation with official inactivity. The IEA survey reveals some very interesting figures. To three colloquially phrased questions:

- (a) I don't see why I should declare my income from things like this when I know that other people don't;
- (b) If people want cash rather than cheques so that they don't get taxed, good luck to them; and
- (c) It's not right that I should have to pay tax on what I earn in my spare time,

affirmative replies were given by 51, 60 and 69 per cent respectively. At face value, these answers reveal a degree of tolerance of tax evasion which would probably not exist for most other forms of illegal activity, however harmless.

Sir Marcus Sieff, of Marks & Spencer, revealed earlier this year that branches with some of the best sales of high-priced commodities were in areas of high official unemployment, with social benefits supplemented perhaps by earnings from unofficial employment. Shrimps at £4 per pound were selling well in Cumberland, Lancashire, Newcastle and Plymouth, despite high official unemployment, from which Sir Marcus concluded: 'I wondered why our business was buoyant in these areas. . . . The conclusion I came to was that there is a bigger sub-economy in Britain than I ever dreamed of.'

In the prologue, Arthur Seldon, editorial director of the IEA, comments that it is a long time since the campaign of the 1820s and 1830s for a ten-hour working day and that in 1979, there might be a similar campaign for a two-hour *untaxed* day, with no prospect of damage to industry or individuals. The new working day would not limit but encourage work, and it could well serve the national interest to divide the working day into a taxed portion and an untaxed portion.

Where do we go from here? The legal distinction between tax avoidance and tax evasion is unambiguous: efforts within the law to minimise tax payments are described as avoidance and those outside the law as evasion. In evidence to the Expenditure Committee of the House of Commons in 1975, Sir Norman Price, then Chairman of the Board of Inland Revenue, defined avoidance as 'the re-arranging of one's affairs in an artificial manner . . . for reasons only of avoiding tax. People tend to go a long way round to get at the same results as may be achieved by a much quicker route because by that long route somewhere along the way they can avoid tax. That is what I would regard as artificiality, the creation of the long route'. His questioner was Nigel Lawson, now Financial Secretary to the Treasury — we have been warned!

Lord Houghton comments that tax-dodging is like the common cold — prevalent; no certain cure; no cause for alarm, but often seems to be worse than it really is. We must beg leave to differ with the second part of that statement; the hole in the Treasury bucket is already far too big and is becoming bigger.

Moreover, an excessive amount of highly-skilled time and effort is being put into the tax avoidance industry at a time when the paramount need is for greater productivity. We shall never see the true democracy when the man on the Clapham omnibus boasts to his neighbour 'I see *we* have put up *our* income tax again'; and those practitioners who set so much store in side-stepping tax laws might like to ponder on a warning from Jack Watson, President Carter's Cabinet Secretary, in July 1978: 'It seems to me that as a nation we have become preoccupied with what we are against, and momentarily lost our vision of what we are for'.

Conflicting Views on ED24

The fact that ED24 had not emerged as the 'philosopher's stone' of price level accounting was not in itself a justification for rejecting it. Mr J. B. Holden, FCA, told his firm's annual conference recently. Its adoption 'warts and all' should be encouraged, since experience suggested that the lack of a mandatory standard encouraged many enterprises to defer tackling the problem.

Mr Holden's views are to some extent endorsed by the ICAEW technical advisory committee, which would like to see the exposure draft promulgated as a standard 'after appropriate amendments. It should be explained to the non-accounting world that CCA is evolutionary and that the standard has been deliberately left imprecise in various areas to enable further develop-

ment to take place'. However, the TAC also makes what would be to some minds a not insignificant objection, that ED24 at present lacks a summary of clear and specific objectives of CCA financial statements, observing that 'If the objectives are recorded, the treatment of individual points within the accounting framework can be formulated, and confusion in the implementation of the standard's prescribed requirements can be avoided.'

The Engineering Employers' Federation – the largest such organisation in the United Kingdom – is decidedly lukewarm in its response, emphasising that the adjustment of internal management accounting reports for the effects of inflation is commonplace throughout engineering and other industries, and

that the relevance and value of all proposals so far made on accounting for inflation are necessarily confined to external reporting requirements.

Further, in the words of the EEF: 'There is great danger in thinking that any form of CCA could or should be used for taxation purposes. In particular, the proposals in the exposure draft contain far too much interpretative flexibility to be compatible with Inland Revenue practice.' The only changes, in fact, which the EEF would support are that stock should be accounted for on the LIFO system, and that fixed assets and depreciation be accounted for on a basis of replacement cost.

Among several whose representations are to be considered at this month's ASC public hearings in Glasgow, Professor J. R. Grinyer of Dundee University welcomes the potential introduction of CCA as likely to provide additional information which should be of interest, but urges caution in the use of that information. In several areas – he cites investment appraisal, taxation and the assessment of management performance – CCA is capable of producing potentially anomalous results, and its superiority over historic cost has not been demonstrated. 'It seems wise, therefore', the Professor concludes, 'to accept that CCA should never become the basis for the primary figure of reported profit.'

The present programme of ASC public hearings on ED24 opened in Dublin on October 30th, continuing in Glasgow on November 1st and in London on November 5th and 9th.

Accountant Convicted of Forgery

'In a moment of panic', Mr William Rogers, FCA, forged a letter to the Inland Revenue when he realised that the firm of which he was principal, Lawrence Rogers & Co, had made a slip up over the tax affairs of NATSOPA, the print union.

Appearing at Chelmsford Crown Court recently, Mr Rogers pleaded guilty to making a false statement, forgery, and uttering a forged document with intent to defraud the Inland Revenue. He was sentenced to nine months' imprisonment, suspended for

The Profession of Management

A new image for the Institute of Directors, as a professional body rather than as a club, is foreseen by Mr Walter Goldsmith, its Director-General. At a recent press luncheon, he looked forward to the time when membership of the Institute would no longer be a matter of sponsorship and subscription, but would be seen as the premier recognised qualification by companies seeking non-executive directors.

This, he said, would enhance the status of Britain's business leaders – 'the most important profession' – and would provide school leavers with a more attractive career route.

The Institute has also launched an 'authoritative and comprehensive' long-term study of the company and its management, which it is hoped will lead to definitive recommendations on the formation and regulation of companies. This, according to Mr Goldsmith, is 'the most healthy manner' of stemming pressures from outside the boardroom.

In a comment on the recent Green Paper *Company Accounting and Disclosure* (The Accountant, September 13th) he called for a progressive return to the 'proper purpose' of limited liability in

protecting those investors who did not take an active part in the management of business.

'We welcome the recognition by Government of the role of small and growing businesses implicit in the Green Paper,' he said. 'But we do not consider that such companies should be exempt from proper disclosure or audit of their affairs. Those who enjoy the privilege of limited liability must accept proper responsibilities towards those who would suffer as the result of the insolvency of their companies.'

Recognising that good practice called for proper communication with employees, Mr Goldsmith nevertheless maintained that the primary reporting responsibility of the board must be to shareholders, without whose provision of capital the company could not exist. It was impracticable, he maintained, to be directly responsible to more than one outside group; nor could he support the concept of directors joining a board as representatives either of workers or of any other sectional interest.

'The great majority of our members are worker-directors in the true sense of the word,' he claimed.

two years, fined £5,000 and ordered to pay £350 prosecution costs.

The offence happened in 1977 when Mr Rogers discovered that his firm had not made declaration for capital gains purposes concerning the sale of some properties, and began to fear a massive slip up on behalf of NATSOPA. Knowing that his firm was inadequately covered by professional indemnity insurance, he feared that his firm would be bankrupted if the union brought a serious professional negligence claim, and to cover up the mistake he backdated a letter and sent it to the Inland Revenue.

Several months ago, City accountants Baker Sutton & Co reported 'serious doubts' over the conduct of NATSOPA's financial affairs in the ten years to December 1977 (*The Accountant*, April 12th, 1979).

Pay Prospects

The settlement of the long-running pay dispute at *The Times* and the Independent Television Companies' dispute serve as reminders that it is not just rates of pay which are the real problem in British industry, but rather the extent of over-manning. More could perhaps be done through publicity to demonstrate to the British electorate the real cause of our current low productivity, and it seems clear that the UK economy is saddled with this burden for the indefinite future.

The next major obstacle to any hopes of rational pay settlements will be found in the liability of the public sector unions to resist the Government's pressure for contracting the growth of public sector spending in the local government sphere and in areas such as the health and hospital services. The problem in the nationalised industries is much the same except that the policy of cash limits, which may produce some results in the local government sector, is unlikely to work in the industrial sector. The ease with which such industries have in the past passed on pay increases does not suggest that the Exchequer and, more to the point, the consumer, will find any consolation in this area.

One can only pray that the Clegg Commission's comparability studies on public sector pay do not further

Prospects for Engineers Better than for Accountants

Just as the final report of the Royal Commission on the Distribution of Income and Wealth has announced that earnings of employed and self-employed professionals have fallen relative to the average, the *Salary Survey* published by Lock Management Personnel Group of Guildford forecasts engineering taking over from accountancy in providing the 'best career prospects' for the future. However, demand for accountants continues to increase and salaries are still near the top of the tree.

Management/financial accountants' salaries have moved up 20 per cent at the 'high' level (£10,000), 23 per cent at the median (£7,250) and 22 per cent at the 'low' (£5,000). At the top end of the profession, 'progress has been shown', though not to the same extent. Financial directors have increased their salaries by 12.5 per cent at the 'high' and 10.5 per cent at the median and 'low'. Financial controllers have not fared so well, actually suffering a reduction at the top level. However, their median increase, at 18 per cent, is better and at the 'low' the rise was 10 per cent.

Partly-qualified ACCA and ICMA members are dealt with as a separate category. *Salary Survey* concludes that

accelerate the cost of labour in these fields. Levels of manning which may have been acceptable when labour was cheap are less than appropriate nowadays. A recent review of the state of play in the pay round in Phillips & Drew's *Market Review* comments that, thanks to the comparability studies, public sector pay will rise somewhat faster than in the private sector.

One can only agree with the conclusions of that review that the evidence to date provides precious little reassurance that pay settlements have so far been kept to moderate levels. Small wonder that the Government has recently sought to correct the impression given by earlier statements that pay increases should be allowed to match the rate of inflation.

'companies are increasingly having to appoint part-qualified accountants, particularly cost and management, to positions of responsibility. There continues to be a shortage of accountants commencing study, and early success in the Foundation course by a student 23+ is reflected in the minimum £4,000 per annum now being paid'.

The survey also includes a feature on 'fringe benefits' – from private medical insurance to subsidised restaurants – and, included alongside the salary rises, is a column for company cars, shown as a percentage of the total and whether or not they are fully paid or just taxed, insured and maintained with petrol only reimbursed for business mileage.

The greatest shortage, in the accounting field, is of cost and management accountants. 'Few people on completion of training apply for these posts – perhaps because it has become apparent that the opportunities for the purist in any discipline are fewer and that ultimately greater rewards are available to the line manager more concerned with running people in a department than in actually getting down to the nitty-gritty of devising and installing or overhauling an existing system.'

That it will be a difficult winter for the Government is certain and, for those with little industrial 'muscle', the next 12 months will be hard.

Nominal Fine on Share Offences

Guildhall magistrates last week fined Mr James Slater, FCA, £15 on each of 15 charges of infringing section 54 of the Companies Act 1948, which prohibits the provision by a company of financial assistance for the purchase of its own shares. The total amount involved in the charges was put at more than £4 million.

Counsel for Mr Slater claimed that these transactions, dating back to the year 1973–74, 'were not for any personal

Current Affairs

gain, were not for the purpose of influencing the market, not for reducing the capital, not for the purpose of depriving the creditors or anyone else in any way, nor for obtaining control of the company in which they were bought'. After the hearing Mr Slater – who was also ordered to pay costs of £750 – claimed that the offences were 'highly technical'.

The maximum fine for an infringement of section 54 is £100. The magistrates had initially acquitted Mr Slater of these charges in February 1977, but the case was sent back by the High Court, on appeal by the Department of Trade, with a direction to convict.

Association Presumed

It has been generally known for some years that the choice of 'Accounting for Associated Companies' as the subject of the first definitive statement of standard accounting practice was dictated by the fact that the recognised accountancy bodies had, at that time, a guidance note at an advanced stage of preparation. This in turn followed a situation, during the late 1960s, in which some investing companies had claimed to take credit in their own accounts for a share of the undistributed profits of what used to be generally known as 'trade investment', down to a level of participation as low as 2 per cent. One distinguished accountant who protested that 'only over his dead body' would such a standard be implemented was still alive and well as this issue of *The Accountant* went to press.

Last week the Accounting Standards Committee unveiled the successor to SSAP1 in the form of an exposure draft (ED25) which seeks to amend the existing standard in two significant respects. First, while the concept of an associated company will continue to be based on 'significant influence', the 20 per cent benchmark of SSAP1 will in future be regarded as a rebuttable presumption and not as a definitive indicator of associated company status. A lower participation than 20 per cent may suffice in an individual case where the prospective 'associate' confirms that significant influence exists.

Secondly, in the light of difficulties of interpretation which have been encountered in individual cases, ED25 sets out that indirect holdings via another associated company are not to

'Look here upon this picture, and on this'

Celia, super 'high-flying European computer lease salesperson', negotiates contracts in French and German for sums up to £2,500,000 for United Leasing. According to her employers' PR people, Celia had a 'brainchild': 'Art Rental for Offices'. Well, computers aren't the most lovely objects, and Art is so inspiring.

It is presupposed that the art rental fees will be tax-deductible. Though rented art might inflate the egos of the board and even inspire senior executives – if not their more lowly brethren – would the Revenue really consider such expenditure as wholly and necessarily incurred for the trade or business?

Take the lines of A. P. Herbert: 'As my poor father used to say in 1863, once people start on all this Art, good-bye Morality.' The great thing about Art is that not only can one appreciate it, but it appreciates itself as well (no depreciation allowances there, as for office furniture). As Uncle Bill used to say, 'I'd rather have my money in an object which I can look at than keep it in the bank.'

However, to rent an undepreciating object like a sculpture or a painting for sums of up to £2,000 per month (when a year's rental could equal the purchase price) suggests that the brainchild Art Rental may speedily become Arthur Legend.

be included with the group holding for the purpose of establishing a 20 per cent participation.

Copies of ED25 are available on request from the Publications Department at Chartered Accountants' Hall, PO Box 433, Moorgate Place, London EC2P 2BJ, price 75p each.

The Battle Continues

The partners of the Sussex firm of Keymer Haslam & Co – who, it will be remembered, were largely instrumental in the demise of ED18 (*The Accountant*, July 7th and 14th, 1977) – remain 'firm in their resolve to fight any form of compulsion in this matter' of the extension of ED24 to the smaller company. In representations to this month's London public hearings on ED24, they record their view that 'the debate [on alternative methods] should end', and recommend that historical cost should remain the basis of accounting practice.

Interestingly to those accountants who remember the original (1952) ICAEW Recommendation N15 in this area, Keymer Haslam also recommend that 'Any amounts needed to replace fixed assets over their historical cost should be considered as an appropriation of historical profits and not as a charge against them'. They also suggest that 'the most useful but neglected part of ED18 was the statement of change in shareholders' net equity; and that stock appreciation relief should be continued,

possibly in some more sophisticated form, 'as it is most unlikely that the Revenue will accept inflation-adjusted accounts'.

'It may well be', their representations conclude, 'that the arguments between the various methods of attempting to account for inflation will be rather like the violent argument over free trade versus protection in the last century and in the first third of the present one. In years to come, they may well be seen as of interest only to historians'.

Be Warned!

'Any member who suggests he has no time to attend meetings is a fool to himself', the latest newsletter of the South Essex Society of Chartered Accountants tartly observes. Drawing attention to two recent exclusions from ICAEW membership, the newsletter continues:

'Although in the Society's area, neither were members and they certainly did not attend meetings. Would they have gone the same way had they done so? At least they would have met people with whom they might have been able to discuss their problems. Don't let it happen to you'.

Of the two members mentioned by SESCOA, one was excluded for the misappropriation of client's funds over a period of approximately fourteen years, and the other after being found guilty of four charges of theft.

Current Affairs

Incomplete Returns

Among pending criminal charges set down for hearing at Reading Crown Court is the name of Mr Robert Brabender Ritchie, BEM, FCCA.

Mr Ritchie is accused of submitting false accounts of his own practice for the years 1971 to 1976, and of omitting from his annual tax returns income from furnished lettings and bank interest.

It Depends How You Put It

'The Government, like any other free spender, has to borrow constantly in order to meet its bills,' ICAEW President Mr David Richards, FCA, told last week's annual dinner of the Leicestershire and Northamptonshire Society of Chartered Accountants. 'What used to be called the Budget deficit – a

clear description, easily understood – is now called the Public Sector Borrowing Requirement.

'It means the same: it means that the adults of this generation are borrowing money to meet their demands for a standard of living they have not earned. The interest on these borrowings and the responsibility to repay them will be carried in perpetuity by our children's children.'

Acknowledging that the United Kingdom now had, for the first time since the Second World War, 'a top rate of tax that was not confiscatory', the President called on the Government to continue its policy of restoring adequate financial rewards for responsibility and risk-taking.

The toast of the Institute had been proposed by Mr John Cope, FCA, MP (Gloucestershire South, Con.) who called

on accountants to put more effort into making accounts understandable. Accountants, of all people, should not complain if the man in the street, or at the factory bench, did not understand what 'profit' was; nor could sound decisions be taken on the basis of statements which were comprehensible only to other accountants.

Quote of the Week

'Standards vary from individual to individual – from the man who will not make a move without being certain that such a move is approved by regulation or the standard textbook to the man who is frankly a "chancer" and who sails so close to the wind that he will shortly capsize and, hopefully in some cases, drown.' – Mr Andrew Sansom, BA, FCCA, Deputy Secretary of the Association of Certified Accountants.

THIS IS MY LIFE

It's Still Bunk

by An Industrious Accountant

When our senior auditor retired for reasons of age, loaded with plaudits, he wallowed in such activities as golf and his grandchildren's education, but these soon palled. Like the old warhorse, he sniffed the battle from afar, and compiled a scholarly history of the old castle in the bay, followed by another of our local accountants' branch. Then he aimed high. He decided to try his hand at a business history, and hopefully picked on our company for old times' sake.

He contacted Scotty shrewdly and pointed out the enormous rise in sales figures since that hard-driving manager arrived. Scotty practically purred at the thought of fame and, after some careful planning, the two asked for and got a meeting with the board.

It went well, they thought. They'd tabled a list of management over the years, profits and dividends, staff numbers and wages and training, and

finally the company's growth in physical size, as preliminary chapters, and the directors had listened keenly, questioned helpfully, and promised an answer as soon as possible.

The weeks went by, and the grapevine whispered that the directors were thinking favourably. Two months went by; then the auditor got a three-line letter expressing regretfully an adverse decision, and that was that.

The pair came glumly into my office to tell me their woes, but it was a pity that they hadn't come months ago. Many years ago I suggested just such a history and got smacked down promptly – no reason was given.

As time passed, I appreciated that a certain elder director would dislike publicity about his secret percentage bonus on sales in Menswear and Footwear, or hints that our official labour overheads differed just a little from the ledger totals.

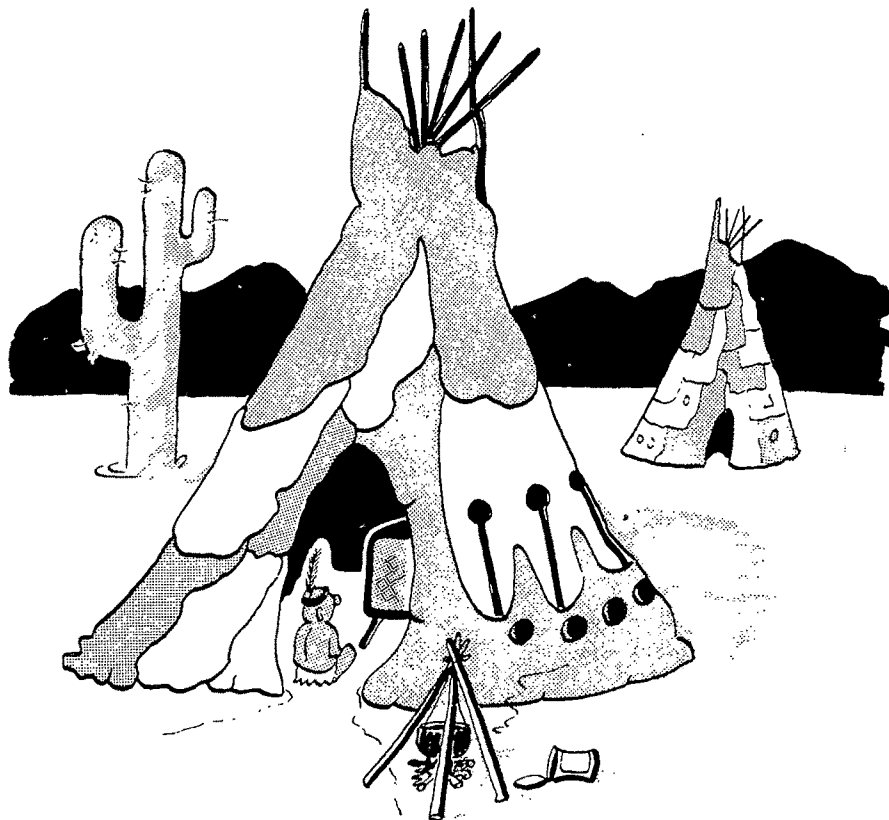
The sudden decision in the sixties, following their mysterious fire in Manner Street, to abolish our little-known private property company might also be misunderstood.

Robert Service wrote that strange things were done 'neath the midnight sun by men that lust for gold; but he didn't know what they did with an ambiguous sundry expenses account in the years when auditors were slightly sympathetic to their more affluent clients in their troubles.



... a certain elder director would dislike publicity ...

Hillier Parker's eye on the world - 3



This interesting little property stands on a craft workshops and leisure complex in North Dakota with good communications and excellent tourist access. Based on a traditional design, it is cheap and quick to build – although it takes a little while these days to obtain a licence, shoot the necessary bears and buffaloes, skin them, stretch and dry the pelts and paint them. The accommodation can be easily relocated mainly by rolling it up and stacking it on the backs of available squaws. Alternative forms of external cladding include birch bark and incidental prestige decoration may consist of the architect's scalp.

Relocation is not quite so easy – but Hillier Parker know their way around. For offices, shops, factories and warehouses – buying, selling, looking, finding – Hillier Parker, without reservation.



Hillier Parker
May & Rowden

77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666
and City of London · Edinburgh · Paris · Amsterdam · Sydney · Melbourne · Brisbane

How Much For Those Hidden Reserves?

From EDWARD SYMONDS in the United States

A superb series of outdoor concerts is held each summer in New York's Central Park – this year sponsored by Exxon Corporation. An indication of the low esteem in which big oil is now held in the United States was provided on the recent evening when, at the conclusion of a particularly good and weather-blessed performance, the name of the sponsor was announced – and loudly booed by the audience. The music played by the oil companies in their financial reports is evidently considered unacceptable; and, under the provisions of the Energy Policy and Conservation Act of 1975, a determined effort is now being made to bring it up to what the public is supposed to consider to be concert pitch. Lengthening delays and heated professional arguments suggest, however, that the tack adopted for this purpose by the Securities and Exchange Commission (SEC) will soon have to be changed.

The trouble began, as recalled in *The Accountant* on November 2nd, 1978 ('That Dry Hole Business'), when the SEC found itself under tremendous political pressure to depart from, and if possible improve upon, FAS19 on 'Financial Accounting and Reporting by Oil and Gas Producing Companies'. Issued in December 1977, this edict specified the so-called successful-efforts method of reporting unproductive exploratory expenditures. With modifications, this is the method long adopted by the major oil companies. But Arthur Andersen & Co, which acts for many of the proponents of the alternative, full-cost method, brought suit against the SEC when it seemed ready to follow the specifications of the Financial Accounting Standards Board. At public hearings reported in this column last year, followers of the full-cost philosophy echoed the Andersen objections and those of companies such as International Paper, which had bought a well-known oil-producing company, converted it to

full-cost reporting (thereby sharply raising its level of earnings) and subsequently sold it once more (thereby reaping a handsome capital gain).

This type of manoeuvre, although not typical of the major companies, has undoubtedly strengthened the demand for legislation to reduce the number of alternative accounting policies available to oil companies. But the SEC has not been left free merely to limit the number or extent of the changes open to company managements; nor does it feel confident enough of its own justification in favouring the alternative used by the largest companies and supported by the FASB. Its proposed judgement of Solomon, known as reserve recognition

accounting (RRA) and issued at the end of August last year in release No. 33-5969, is now perceived, even by some members of the Commission, to have created more problems than it solved.

The SEC has argued that the full-cost method, by allowing managements to capitalise dry holes and then amortise them against the company's other production revenues, makes for a more accurate matching of expenditures with revenues than is possible under the successful-efforts method of writing them off as incurred; but that neither method provides sufficient information to satisfy a skilled judge of financial statements.

The need, according to the SEC, is to develop a new method based on the valuation of proved oil and gas reserves. With this in mind, the Commission has offered a sample supplemental earnings statement, as reproduced below and followed (with wide variations) in the amended 10-K forms filed with the SEC by the major companies for 1978.

Supplemental Earnings Summary of Oil and Gas Producing Activities Year Ended December 31st, 19xx

	\$	\$
Revenues from oil and gas:		
Sales to outsiders	xxxx	
Transfers	xxxx	xxxx
Costs of production:		
Lifting costs	xxxx	
Amortisation of proved properties	xxxx	(xxxx)
(1) Income from producing activities		xxxx
Current additions to proved properties		xxxx
Costs of additions to proved properties:		
Exploration costs	xxxx	
Development costs	xxxx	(xxxx)
(2) Income from current exploration and development activities		xxxx
Revisions to previous additions to proved properties:		
Changes in estimated quantities of proved reserves		xxxx
Changes in rate of production		xxxx
Changes to reflect current prices and costs		xxxx
Holding gains from passage of time		xxxx
(3) Total revisions		xxxx
Profit contribution from oil and gas producing activities before income taxes		xxxx
Provision for income taxes		(xxxx)
Profit contribution from oil and gas producing activities after income taxes		\$xxxx

Accountant Abroad

While item (1) in the sample presents no special difficulty, item (2) assumes a degree of clairvoyance that no management has hitherto claimed, and requires engineering expertise that few accountants possess and that will be hard to find and expensive to attract if drawn from outside the firm. Even the costs of current exploration and development will be subject to dispute, since they have been defined by the SEC as excluding lease bonuses and various other major categories of expenditure. Moreover, the dollar amount to be entered for current additions to proved properties is to be expressed in terms of year-end oil and gas prices; but the 1979 experience, with the increase of over 40 per cent that has already been witnessed in the Middle Eastern floor price, underlines the inadequacy of this definition.

Even more debatable is the volume of current additions on which the value total is to be based. The recent downward revisions in reserve estimates for certain North Sea fields illustrate the danger of over-optimism that lingers on for as long as a decade and a half after exploratory work began. In the first year of exploration (as covered in item (2) of

the sample) the danger is of a much more extreme under-optimism, leading to gross understatements of the value of current additions. The instinct of managements – against which professional advisors will have little defence, since no independent certification method has been developed to verify the volume estimates – will be to adjust the first-year estimate upward to allow for likely future revisions (and thereby steal a march on more cautious competitors).

The extent of the first-year uncertainty was highlighted in an evaluation completed this summer by Price Waterhouse & Co of the viability and application of RRA. The study was based on information supplied by nine oil companies, including international leaders such as Shell and Exxon, but also covering the experience of several smaller producing companies. One of the participants in the study provided information, from which the accompanying chart has been drawn, to show the extent of the revisions typically made in reserve estimates after the year of discovery. It will be seen that, among the fields discovered during this decade, all have been sharply re-evaluated since the first

year, with those found in 1971 now given ultimate recovery estimates more than 20 times their first-year total.

On the basis of evidence such as this, Price Waterhouse concludes that the valuation estimates required for RRA are simply not at present available with the degree of reliability appropriate for financial statements. In a laudable attempt to keep the door open for further experimentation, the firm suggests that the proposed RRA data could be filed with the SEC on a confidential basis. Anyone familiar with the inner workings of Washington and the extreme reach of the Freedom of Information Act well knows that this alternative would be equivalent to cementing the present SEC proposals into the established reporting structure.

Further uncertainty

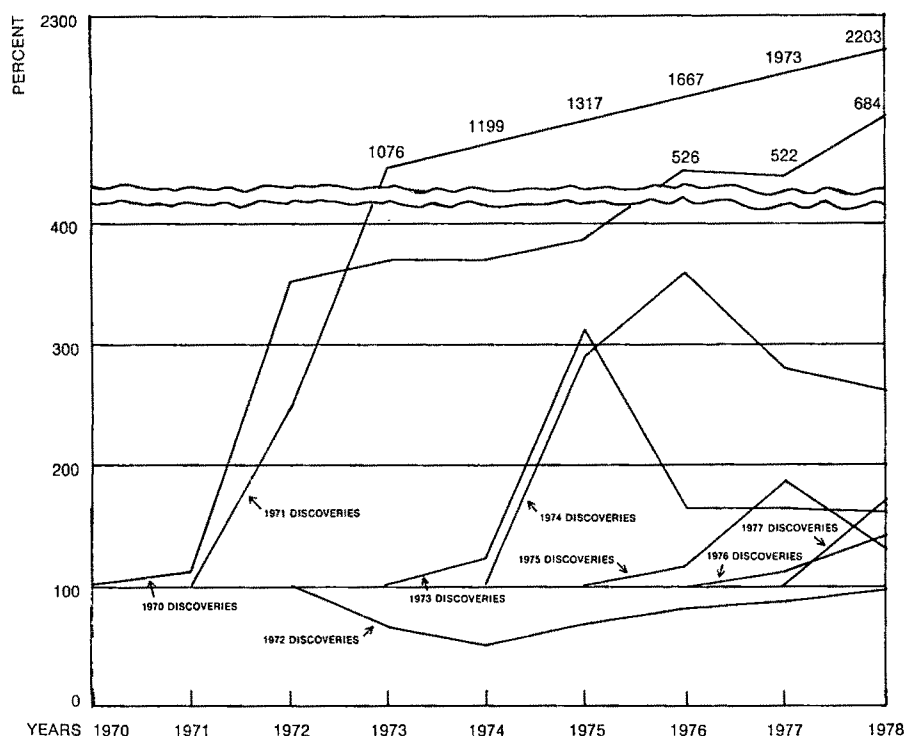
The impossibility of accurately estimating the volume of new discoveries is accepted in item (3) of the SEC sample. The revisions total here called for is likely (as Price Waterhouse puts it) to overwhelm the current-exploration total. Changes in rate of production add a further uncertainty, although the SEC helpfully eliminates one of the unknowns by specifying that the value of future production shall be discounted by an arbitrary 10 per cent annually. The need to allow for price-level changes and inflationary gains is also recognised – although the scope for disagreement over the formulation of these estimated revisions is clearly enormous. The exclusion of taxes from all three items in the SEC sample, with the tax provision held as a single entry at the foot of the calculation, is a further distorting factor.

While the SEC's jurisdiction is limited to American companies, international companies based in Europe will be directly affected by the proposed changes. Standard of Ohio, for example, although now majority-owned by British Petroleum, has every intention of following the new rules as they evolve. Shell, Burmah, Ultramar, Petrofina, Total and other major companies will also have to conform, if they wish to retain access to the United States capital market and to a quotation on the New York stock exchange.

Yet it is not at all obvious how these and other companies will be able to

Estimates of ultimate recovery of discoveries

(Discovery year estimate equals 100%)



Accountant Abroad

provide the expected information on additions and revisions to proved reserves. Thanks to the excellent 'brown books' prepared each year by the Department of Energy, reserve information on the North Sea is already freely available. But this is certainly not so for the Middle East and most other overseas producing regions. Saudi Arabia, the world leader in reserves, has prohibited the disclosure of reserve volumes (and hence of the calculations of values that the SEC is now seeking) to outside parties. This means that, so long as Aramco continues to exist in its present form, major gaps will be left in the RRA report of its parents – Exxon, Socal, Texaco and Mobil. Similar voids will appear in the data for other foreign producing countries.

As an acid test of the possible usefulness of the SEC proposals, Peat, Marwick, Mitchell & Co last month (August 1979) completed a survey of the membership of the National Association of Petroleum Investment Analysts – a small and relatively new group, but one that should include the most active and sophisticated users of oil company reports. A not unexpected finding was that the proposed disclosure of reserve values will indeed be useful to the analysts – a feeling that no doubt springs from the general dissatisfaction with the present shape of oil company reporting.

Unappropriate data

Much more puzzling, if not positively insulting, was the survey's finding that a professional audit of the proposed reserve figures would not significantly enhance their usefulness to analysts. But this conclusion can be interpreted as recognising that the new data are so 'spongy' that they are not appropriate material for an auditor's examination. The same meaning can be read into the third major finding – that analysts would not wish to see the new RRA material take the place of the traditional historical-cost reporting of reserves on the face of the financial statements.

The incompatibility of the forecasts as required for the RRA proposals with the historical-cost data as reported by non-producing sectors of petroleum and all other industries represents one of the most serious objections to the RRA

proposals. And it has apparently been seen as such by the SEC. The Commission has recently abandoned its plan to require the auditing of the new data to start with 1979 reports. The year of grace now accorded presumably means that the Commission will extend the three-year period during which companies are expected to prepare themselves for the day when they have to begin including the RRA material as an integral part of their annual financial statements.

Given the legislative mandate and the degree of popular involvement, there is

Summer Time 1980

Next year all members of the community, except Germany and Denmark, will be applying summer time. Although the periods have not yet been aligned, the Benelux countries, France and Italy have agreed to start their summer time on the same date. The times are as follows: UK and Irish Republic, March 16th, 1980 (02.00 hours) to October 26th, 1980 (03.00 hours); Benelux, France and Italy, April 6th, 1980 (01.00 hours) to September 28th, 1980 (02.00 hours).

Whereas the UK and Irish Republic adopt Greenwich Mean Time (GMT) in winter and GMT + 1 in summer, the rest of the Community works to GMT + 1 (Central European Time) in winter and, except Germany and Denmark, GMT + 2 in summer. Denmark will be introducing summer time in April 1981. The European Commission aims to synchronise the change to and from summer time to overcome the problems created by non-alignment. A draft Directive to the Council is still under consideration by the UK Government and other member states.

EEC Misses Targets

The EEC is failing to meet its targets in both energy conservation and production. In a report to the Parliamentary Energy Committee, Energy Commissioner Guido Brunner said member states would probably exceed the 500 million tonne limit on oil consumption set last June, despite short-term oil-saving measures.

This follows a confidential Commis-

sion study which estimates that EEC oil consumption this year will be 525 million tonnes. Energy output, too, is falling behind the 180 million tonne target set for this year. It is now forecast at between 115 and 165 million tonnes. Targets set for 1985 might not be achieved until 1990 in nuclear production and coal production and consumption.

Germans are Best Paid

The highest wages in the West's ten top industrial countries are paid in West Germany, according to a survey by the Dresdner Bank. Britain is at the bottom, trailing Japan and Spain – all considered low-wage countries in the survey.

Hourly wages, including social costs, average DM 20.90 (\$11.84) in West Germany. Its wage costs are, however, closely followed by those in Belgium (DM 20.80), the Netherlands (DM 20.60) and Sweden (DM 20.50).

But while the UK's wages are less than half those paid in Germany, the bank's index of production value per wage cost unit (West Germany equals 100) shows the British and Germans almost equal. Belgium, however, does worse with an index value of 98 with Sweden at 79 and Italy at 72. The remaining countries show a far better relationship between production values and unit wage costs. France and Spain are both indexed at 109, Holland at 111, the USA at 128 and Japan at 139.

The bank's index of wage costs compared with the value of each production unit – the measure of competitiveness – shows the UK and West Germany together at 100.

IN MEMORIAM

CTS, in conjunction with Stanley Davis (Company Services) Limited, announce the passing of the hand prepared annual return, known and loved as Form 6a.

Born 1929 – Passed away 1979 (R.I.P.)

Due to ever increasing staff costs and the spectre of Section 353, the traditional method of recording and completion has led us to introduce:

"THE COMPUTERISED ANNUAL RETURN"

- * Clear concise printouts accepted by The Register of Companies with duplicate copies for file and client.
- * Monthly reminders automatically issued to advise Practitioners when Returns are due or overdue.
- * Simple method for dealing with amendments to Shares, Members and Directors & Secretary.
- * No work *whatsoever* required by the Practitioner or his staff to complete or control.
- * Automated preparation of forms 4a if you move offices.

Costs per Company – 1st year £9.00, 2nd year onwards £6.00 (no charge for changes!)

The image shows a stack of four computerized annual return forms. The top form is partially visible, showing sections for 'Particulars of Shares', 'Particulars of Debts', and 'Particulars of Assets'. The forms are printed on a grid background, typical of early computer output. The text on the forms is small and dense, but the layout is clear and organized.

No flowers please, instead contact

Lawrence Josephs
CTS Group,
CTS House,
Masons Avenue,
Harrow,
Middx. HA3 5AH.
(Offices throughout the U.K.)
Telephone 01-863 0111.

The Computerised Annual Return.
Another development to aid Practitioners
by:



"The Specialists in Practice Automation"

C.T.S. for Accounts Preparation, Practice Administration, Tax & Statutory Administrations, Accounts & Report Finalisation and Management Services via Computer and Computer Bureau.

... By Accountants for Accountants ...

A MINI COMPUTER SYSTEM
DESIGNED BY
ACCOUNTANTS
USED BY ACCOUNTANTS

- Time Recording
- Incomplete Records
- Company Accounts
- Fees Ledger
- Expenses Ledger
- Word Processing

This system is used throughout the UK by small and large firms of accountants, including the offices of two of the country's leading practices. It is available either on a computer on your own premises, or for the smaller practice, as a service offered by several computer bureaux.

Jenson also offer a complete range of commercial systems which will allow you to offer computing services to your clients. These systems include payroll, ledgers, stock control and order entry.

**Jenson Computer Systems Limited, 30 Queen Square,
Bristol, Avon BS1 4ND. Tel: 0272 211127**

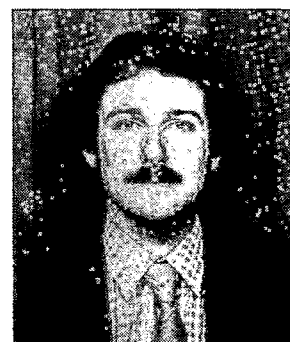
**For further information ring
Paul Williams or Brian Johnson.**

Accounting for Leases

1 – The Case for Capitalisation

by JOHN J. GLYNN, MA, ACCA,
Lecturer in Accountancy, University of Exeter

The UK accounting profession decided to consider the question of accounting for leases in 1973. However, the expected exposure draft has yet to be issued, though its publication is due this November. Not the least of reasons for the delay has been the objections to the rumoured proposals from the leasing industry, notably the Equipment Leasing Association.



Leasing has become one of the most important sources of finance for businesses in the UK. In 1978 the leasing industry set new records. Total expenditure by member companies of the Equipment Leasing Association (ELA) on assets for lease to customers amounted to £1,214 million. This represented an increase of 80 per cent on the £675 million of new business transacted in the previous year. It is estimated that leasing accounts for about 10 per cent of all new capital investment and provides up to 25 per cent of all external financing.

When considering such an extensive subject it becomes immediately apparent that any short discussion will have to centre around a few fundamental issues. First, the discussion will be limited to those leases used primarily as a financing device – financial leases. Secondly, it is not the intention to anticipate the contents of the forthcoming exposure draft; broader accounting principles are examined, rather than what is expedient.

A lease is a legal instrument that transfers certain property rights and obligations from lessor to lessee. More specifically, a financial lease is an arrangement whereby the lessee obtains exclusive rights to the leased property in return for a rent, which in the first instance (the primary period) enables the asset to be fully amortised over the life of the agreement. Thereafter the lessee may still obtain use of the asset by payment of a peppercorn rent (the secondary period) which maintains the legal nature of the agreement and thereby enables the lessor to obtain the advantages of capital allowances and some investment grants.

Variations

Variations do of course occur in lease agreements, but in substance this is the accepted form of a financial lease. Additionally the lessee is normally charged with providing insurance cover and maintaining the leased asset in good order.

Much of the argument relating to capitalisation issues is directly related to the very nature of financial reporting. *The Corporate Report* [*The Accountant*, August 20th, 1975] suggested that: 'The fundamental objective of corporate

reports is to communicate economic measurements of and information about the resources and performance of the reporting entity useful to those having reasonable rights to such information.' International Accounting Standard No. 1 (para. 9) insists that transactions should be accounted for and presented in financial statements in accordance with their substance and reality and not merely their legal form, though the UK SSAP2 gives no such clear-cut objective.

Taking the communication of economic information as the prime objective of financial reporting, we have to consider the question of whether the nature of the financial transaction is such that an asset and/or a liability has been created. The establishment of either leads on to a consideration of how best they should be measured or valued.

Capitalisation by lessees

The first consideration is whether an asset exists. It seems evident that financial leases bear almost all the hallmarks of debt and of owning an asset. An obligation is created for payment under an agreement which is normally not cancellable. Such cancellation payments as are allowed approximate to the discounted value of the future rentals due. This commitment to fixed payments is after all what a debt obligation amounts to.

Financial leasing is an alternative to direct purchase; it can be regarded as a form of debt finance which increases the debt capacity and asset base of the concern. With an alternative form of debt finance – hire-purchase – no such problem is presented; assets so financed are shown in the balance sheet. This is, presumably, because nobody doubts the economic substance of such agreements and that legal ownership is eventually transferred.

A second consideration is whether a liability is created when financial leases are undertaken. Lease rentals cannot be avoided by management; they are subject to legal sanctions, and hence become liabilities due for payment at some future date. Having established the concept that both an asset and a liability are created, then measurement must be tackled; this

amounts to the present value of all future payments – capitalisation.

The present UK debate on accounting for financial leases is a re-run of the 1960s–70s debate in the USA, when the accounting profession moved in the direction of recognising that many leases represent methods of financing the acquisition of assets and that they should be so accounted for. Various reports and Accounting Principles Board (APB) opinions eventually culminated in FASB Statement No. 13 (1976) 'Accounting for Leases.' The first major discussion of the topic was by J. H. Myers (1962) who recommended capitalisation as the best method of remedying deficiencies in the, then, present disclosure practice. He concluded that: 'To the extent, then, that rental payments represent a means of financing the acquisition of property rights which the lessee has in his possession and under his control, the transaction constitutes the acquisition of an asset with a related obligation to pay for it.'

APB Opinion No. 5 (1964) summarily dismissed the concept of recording 'property rights' and concluded that leases should be capitalised only if they are 'clearly in substance instalment purchases' and 'the terms of the lease create a material equity in the property'. Under the Myers concept, virtually all material leases would be capitalised since all leases involve some property rights. The opinion regarded a lease arrangement as being essentially an instalment purchase of property if the lease terms resulted in the creation of a material equity in the property for the benefit of the lessee.

Conditions for purchase

Opinion No. 5 stated that: '... either of the following two conditions will usually establish that a lease should be considered in substance a purchase:

- (a) the initial term is materially less than the useful life of the property, and that the lessee has the option to renew the lease for the remaining life of the property at substantially less than the fair rental value; or
- (b) the lessee has the right, during or at the expiration of the lease, to acquire the property at a price which at the inception of the lease appears to be substantially less than the probable fair value of the property at the time or times permitted by the lessee.'

Part (b) would not apply in the UK, as to allow the lessee the opportunity to purchase an asset would necessitate the lessor forgoing the rights to capital allowances. What does seem clear, though, is that rents in the primary period of the agreement are so set that an equity in the asset is being built up through the payments. It is not tangible, merely a collection of rights. This, and later APB opinions, called for greater disclosure of lease transactions as footnotes, but stopped short of actual disclosure on the balance sheet.

More recently, FAS 13 'Accounting for Leases', issued by the Financial Standards Board in November 1976, called for the capitalisation of lease agreements to be shown on the balance sheet. FAS 13 followed on from APB Opinion No. 5 with the analogy of instalment purchase, rather than property rights; paragraph 90 states:

'The provisions of this statement derive from the view that a lease that transfers substantially all the benefits and risks incident to the ownership of property should be accounted for as the acquisition of an asset and the incurrence of an obliga-

tion by the lessee and as a sale or financing by the lessor. All other leases should be accounted for as operating leases. In a lease that transfers substantially all of the benefits and risks of ownership, the economic effect on the parties is similar, in many respects to that of an instalment purchase.'

It is worth noting that most of the opposition to capitalisation in the UK rests on two points – legal ownership and fears that lessors might, in the future, lose their rights to first-year taxation allowances. First, because the title to the asset is not conveyed to the lessee, it is contended that to include a financial amount representing an asset in the lessee's accounts which was not represented by a legal entitlement would be a mis-representation; likewise, the commitments for the future lease payments could not be represented as a liability in the legal sense. This argument ignores economic reality.

Changes in tax laws

Secondly, lessors are worried that a change to capitalisation in the lessee's accounts may well expediate a change in tax laws to the detriment of the leasing industry. Recent changes with respect to leased cars could be said to indicate that Government decisions about who is entitled to claim capital allowances (and to what value) has previously borne no relationship to any one particular mode of accountancy treatment, as is well established with respect to other aspects of corporation tax.

Opponents of capitalisation are not normally against the disclosure of information relating to leases as footnotes to the lessee's balance sheet. If the earlier arguments are accepted, then such a course is insufficient.

An acceptance of arguments in favour of capitalisation leads on to a review of particular points of contention with regard to implementation. When capitalising, we should record as a liability the present value of the future rentals; against this is matched on the asset side of the balance sheet an entry 'Leased rights in plant and equipment', or some other appropriate heading.

Rate of discount

Choosing an appropriate rate of discount for determining the present value of future rental payments is an immediate problem. Let us consider three alternatives; to calculate the present value at the lessee's cost of capital, at the lessor's cost of capital, or at the rate implicit in the lease contract agreement. The 'implicit rate' is the product of the lessor's cost of capital plus an expected rate of return, normally referred to as the internal rate of return.

With historic cost, it could be said that the implicit rate was appropriate. This is because the original cost of capital is regarded as the appropriate monetary equivalent. In contrast, the lessee's cost of capital could be used for an economic valuation – economic value being future net cash flows discounted to the present at a rate appropriate to the lessee – his cost of capital.

FAS 13 requires that capital (financial) leases should be recorded as assets and liabilities at the lower of (i) the present value of the minimum lease payments at the beginning of the lease term, or (ii) the fair value of the leased property at the inception date. The discount rate used in determining the present value is the lower of the lessee's incremental borrowing rate or the implicit rate in the lease agreement.

Use of the cost of capital has its drawbacks. First, the cost of capital is subjective and involves a measure of judgement; secondly, it is highly likely that the present value obtained by using it to discount the future rental payments will differ from the current value of the asset. Much the easiest solution (despite its theoretical drawbacks) would appear to be to discount the future rental payments by the rate implicit in the leasing agreement as drawn up. Lessors can usually supply the lessee with the implied rate which otherwise could be simply calculated by trial and error. Once capitalisation becomes an established standard it should not be too great an effort to increase the public availability of such figures and thus make them subject to independent audit and verification. If the argument is accepted that a liability exists, then it is the accountant's duty to estimate, as best he can, the amount.

Following on from deciding the interest rate by which to capitalise future rental payments is the question of how best to amortise the leased rights over the period of the agreement. As a general rule, the time-pattern of lease amortisation should depend upon the pattern of the expected benefits to be derived from the use of the assets. Two alternative approaches can be considered – either amortise the assets in similar fashion to the other assets owned by the concern, or simply write down the right in the same way as the liability.

The annuity method

While the lessor may consider the primary and secondary finance periods, the lessee should consider the budgeted useful period of the asset. Lease rentals could be written down by the annuity method; that is, in the same manner as the capitalised value of the rentals. This could only occur when the useful life of the asset corresponded with the primary period of the lease agreement and that the rental amounts were constant. Otherwise, when the useful life of the asset is expected to extend beyond the primary period of the lease agreement, under the normal accrual accounting (and matching) policy some portion of the primary rental should be carried forward for write-off in the secondary period. FAS 13 directs lessees to amortise: '... in a manner consistent with the lessee's normal depreciation policy'.

Another question to consider is whether a particular accounting treatment for the lessee implies a particular accounting treatment for the lessor. In other words, should the lessee and lessor adopt reciprocal accounting classification for the leases?

Need for consistent treatment

Reciprocity would require the lessor to record future lease rentals as a receivable. FAS 13 expects that: '... lessor accounting will usually parallel that of the lessee'. An Australian Accounting Research Foundation discussion paper on leasing remained equivocal on this point, stating that: 'The fact that a transaction might suggest the need for consistent treatment should not outweigh the concern of management to report as they consider a transaction affects their entity. For example, there are current accounting practices where consistent treatments are not adhered to in respect of transactions or balances of the same source, eg bad debt write-offs, investments in associated companies or partnerships.' There is always the argument that one party does retain legal ownership.

Most lessors have tended to treat leased assets as fixed assets for accounts purposes and shown them in the balance sheet at cost less accumulated depreciation (the 'rental' method). An alternative measure (the 'finance' method) is to treat the fixed asset as a finance receivable arising from the conversion of a capital asset to a right to recover the future rental payments under the lease. This latter approach would be consistent with the argument for lessee capitalisation of financial leases – the lessor having granted exclusive use of the leased asset to the lessee for its economic life. For the lessor, capitalisation is not the issue, an asset is recorded either as property or as an investment (receivable). The point of contention is the manner of recording income.

Straight line depreciation

Under the rental method revenue is recognised as the rent is earned and the asset is depreciated in similar fashion to other assets retained and used by the lessor. Applying straight line depreciation, income would be recognised by the same amount each year. Under the financing method the total income is the same but it is recognised in a different pattern – more in the earlier and less in the later years of the lease period. This amounts to recognising an immediate gross profit, representing the difference between cost and the present value of future rentals, followed by interest receivable which declines as the lease agreement unfolds.

Support for capitalisation is based upon the presentation of the economic substance of the transaction, rather than the present form of writing off rentals as paid, to the profit and loss account. There is a very fine dividing line between a financial lease arrangement, hire-purchase and instalment purchase; yet these similar transactions (in economic terms) are treated very differently for accounting purposes.

An examination of the question of leasing raises the more general question of the role of the ASC. Is the committee responsible for establishing principles which then become 'accepted', or is a more passive role to be played – one that merely formalises those principles which have been accepted in practice?

Commitment of gross earnings

As far back as 1962 the Jenkins Committee stated: 'We think that the shareholder should be told how much of the company's gross earnings are committed in order to meet its obligations in respect of rent [relating to lease transactions]; the obligations are economically the equivalent of depreciation and interest on debentures and other fixed loans which are already required to be shown separately in the profit and loss account.' Subsequently, the Companies Act 1967 contained requirements for rental disclosure. Sound theoretically-based concepts could lay down the framework for examining other problems of accountancy presentation.

Interest in the accounting treatment of financial leases has only arisen due to the rapid increase in the UK leasing industry in recent years. It is a subject which could affect entities of all sizes and classification. While lessors fear that the forthcoming accounting recommendations will have an adverse impact on the growth of leasing, lessees also have their worries. Capitalising financial leases will require extra book-keeping; capitalisation will reduce accounting profit in the early years of the lease agreement. It will also eliminate off-balance sheet finance.

(To be continued.)

Fair to the User

by AMORY PAKENHAM-WALSH, MA, FCCA, JDipMA
President, The Association of Certified Accountants

The accountancy profession of the United Kingdom and Ireland fought successfully in Brussels to have the words 'true and fair' enshrined in the Fourth Directive where it overrides more legalistic provisions deriving from the traditions of our EEC partners. Now the same profession is engaged in an internal battle about how far the words can be applied; that is, whether they can be applied to the accounts of all companies or whether it can be applied to the accounts of larger companies only.



The internal battle has been sparked by the proposed auditing standards which, if applied across the board, would oblige auditors to observe the same standards of audit for all companies regardless of size; and, in Ireland, an audit is a statutory requirement for all limited companies. The proposed standards, however, are neither new nor more stringent than the current procedures of competent auditors; they amount in effect to a codification of good practice and, thereby, to a published yardstick for assessing professional competence.

Some of the larger professional firms of accountants are pressing for abolition, or modification, of the statutory audit requirements of small companies on two main grounds: that small companies should be relieved of the burdens of the full regimen of accounting disclosure, and the impossibility, at reasonable cost, of auditing the accounts of many small companies. Those who maintain this stance observe that Canada, France, Germany, the Netherlands, and the USA do not subject small companies to a statutory audit.

In the United States, for example, legislative and institutional controls are directed exclusively towards protecting holders of shares and securities offered to the public; public companies alone are in the statutory audit net. From this observation the anti-audit lobby jumps to the conclusion that small owner-managed or proprietary companies do not affect the public interest and that, accordingly, these companies and the accountants should be relieved of a burdensome audit requirement.

The lobby conveniently ignores all the other interested groups which use accounts specifically: bankers and other financiers, suppliers and other creditors, employees whose jobs are at stake, and the Revenue which uses them as a tax base.

Under the United Kingdom Companies Acts, all companies have to file accounts with the Registrar. The British Government has now published a Green Paper [Cmnd 7654, *The Accountant*, September 13th] on company law proposals which avail themselves generously of the options available under the EEC Fourth Directive. Inside three categories of company, small companies are to be relieved of full disclosure and audit requirements.

These proposals are reactionary in the extreme; they turn their backs on the developing philosophy of disclosure and on

the needs of interest groups other than owners. It is to be devoutly hoped that the accountancy profession will show muscle and strenuously resist such a narrow view of corporate accountability.

The fact that large audit firms with standardised procedures have difficulties with the idiosyncratic accounting methods of small companies is not a good reason for excusing them from corporate accountability. The claim, in particular, that a standard audit cannot be carried out is based on the small company lack of internal control systems. These exist in larger companies, however, because of size and complexity which mean that transactions and activities take place out of sight of the managers. Small companies, moreover, are obliged under the Companies Acts to keep proper books of accounts.

Incorporation is more than a legal thing; it endows the owners, or shareholders of proprietary companies, with substantial advantages. The United Kingdom has about 700,000 private companies and 6,000 public ones; the Republic of Ireland has about 70,000 private and 400 public companies. It is not known how many of the private companies are 'proprietary' (ie, with all of the shareholders being directors), but it may be guessed that they account for at least half the total.

For the owners of a proprietary company, incorporation as a limited company protects their personal wealth from claims arising from business transactions. This exposes at least those who deal with the company (bankers, suppliers and others) and those employed by it to the risk of loss and suffering should things go wrong. In the extreme case, it is a scandal that unscrupulous people can wash their hands of an unsuccessful company, or of one which they have milked, and continue to trade under a different company name.

Although the accountancy profession as such cannot assume direct responsibility for the tragic outcome of unemployment when a company folds up, the profession can none the less assist in the monitoring of limited liability company activities. If the owners and directors of small companies find the price of limited liability too great, they have the option of operating without limited liability.

In my view, the accountancy profession should face the problems of auditing private companies. The anti-audit movement says 'Change the law, because accounting and auditing standards are too onerous for small companies.' A modified audit would be less than fair to the users of accounts.

The substance of a luncheon address to members of the Leinster Society of Certified Accountants.

Clarification on Double Tax

In response to representations by the Consultative Committee of Accountancy Bodies, the Inland Revenue have confirmed that they follow the spirit of the *Bowater* case (1969) 46 T.C. 37 in determining 'relevant profits' of overseas companies for double tax relief purposes. The Revenue have further indicated that realised gains on currency realignments are not regarded as available for distribution unless they are used for a dividend or are included in the accounts as being distributable.

At a meeting between the Inland Revenue and the accountancy bodies in March 1978, the Revenue stated that they were following both the spirit and letter of the House of Lords' decision in the *Bowater* case, and that there were bound to be some anomalies with any formula for computing the underlying tax. Many complex questions rested on the circumstances of particular cases, and it was agreed that the accountancy bodies should let the Revenue see examples of their points.

Revenue's comments

Examples were submitted to the Revenue for comment covering unrealised and realised profits on exchange, and capital profits credited direct to capital reserves. The Revenue's comments and views on the definition of 'relevant profits' (i.e. profits available for distribution) in the illustrative cases were as follows:

(a) Where the accounts profit includes unrealised gains on exchange differences, the Revenue say that there has been a change in practice. Since July 1978, the Inspector of Foreign Dividends provisionally treats unrealised gains on currency realignments as not available for distribution for the purposes of section 506 of the Taxes Act 1970 unless

the unrealised gains are in fact used for a dividend, or put to a reserve of a general nature which is considered distributable or left in the retained earnings account. To the extent that the gains are realised gains, the Revenue's view is that such gains are regarded as available for distribution.

(b) Where realised capital profits are credited direct to capital reserves, the Revenue regard such profits as being part of 'relevant profits' for double taxation relief purposes. The accountancy bodies do not agree with this view in circumstances where the capital profits referred to above are not regarded by the directors as available for distribution in the year under review. In this context the Revenue have written as follows:

'The method adopted by the Department is considered to be correct and in no way inconsistent with the *Bowater* decision. In that case, the argument for the taxpayer was that the profits were those assessed to foreign tax whereas the Revenue maintained that the profits available for distribution were those which were shown to be available by the accounts (whether on revenue or capital account).

'It is of no significance that the capital profit was taken in the accounts directly to a capital reserve. Such profit remains available for distribution to shareholders and it is immaterial whether it reaches capital reserve after first being credited to profit and loss account (or for that matter left in the profit and loss account).

'Where it is contended that section 506 (2) (b) applies, full evidence including relevant minutes of meetings to establish as a fact that the dividend was paid out of specified profits must be supplied.'

With regard to the denominator to be used when calculating the underlying rate of overseas tax, the Inspector of

Foreign Dividends accepts and applies the calculation:

$$\frac{\text{Actual tax paid} \times 100}{\text{Actual tax paid} + \text{relevant profit}} = \text{rate per cent}$$

— 'relevant profit' being the profit after tax according to the accounts, subject to any adjustments.

The above calculation automatically takes into account any deferred taxation charged plus under- and over-provisions for any tax in previous years. However, in any case where any charge to deferred tax has not been deducted to arrive at relevant profit, it is suggested that the matter should be referred to the Inspector of Foreign Dividends, Double Taxation (Rates) Section, for attention.

This announcement is an abridged version of a recent CCAB guidance note which also includes a further worked example of the 'underlying rate' calculation. The full text of the note is available free on request (sae) from Chartered Accountants' Hall, quoting reference TR 362.

Leasing Abroad: New Restrictions

Following the recent ending of exchange control restrictions, legislation will be introduced in the 1980 Finance Bill to replace the arrangements, previously operated through exchange control, which prevented UK tax incentives from being used to support the leasing abroad of foreign equipment.

Leasing companies resident in the UK are usually entitled to 100 per cent first year allowances on their capital expenditure on plant and equipment acquired for leasing. Their lease rental charges are lower than they would otherwise be on account of the tax relief they obtain through first year allowances.

When the present system of capital allowances was introduced in 1971, the Government was concerned to ensure that high rates of capital allowances should not, through UK-based leasing arrangements, be used to support the acquisition of foreign-made equipment by overseas companies. A similar problem had arisen in the 1960s when UK investment grants had been claimed

Revenue Report

on ships built abroad for the ultimate benefit of foreign owners.

It was originally announced during the 1971 Finance Bill debates that exchange control consent would not be given for such transactions. Subsequently, subject to other conditions being satisfied, exchange control consent was given provided the leasing company limited its claim to capital allowances in the first year to 25 per cent instead of 100 per cent. The proposed legislation, on which the Revenue will be consulting those principally concerned, is expected to provide that expenditure on foreign assets for leasing (directly or indirectly)

to non-resident lessees will qualify for allowances at 25 per cent in the first year, the balance of expenditure being written off in subsequent years at 25 per cent on the reducing balance basis.

The new provisions will apply only to financial leases – ie, leases under which substantially the whole economic interest in the asset is transferred to the lessee – and to capital expenditure incurred on and after October 24th, 1979, except where it is incurred under a contract entered into before that date. The leasing or hiring of equipment to overseas customers on a short-term basis will not be affected.

Fairmile Construction Co Ltd should repay £1,440 'shipbuilders' relief' paid to them in August 1971 in respect of two Shell International Petroleum barges. He held further that the company was entitled to rebates totalling £23,232 for four Lowestoft trawlers, which Fairmile said the Commissioners 'had consistently refused to pay.'

The policy of successive governments had been to encourage the depressed shipbuilding industry by giving relief to the company 'that obtains the order, designs the vessel and provides the material,' said the judge. 'This is where the business is generated.' Including interest, the company was entitled to £33,686, plus costs of the case.

Fairmile had subcontracted the work to another company – W. R. Cunis Ltd. The Commissioners had purported to lay down in their 'rule of thumb' guide, that only one company could claim the refund – 2 per cent of the vessel's cost.

Definition of a Motor Vehicle

The VAT (Cars) Order 1977 defines a motor-car as any motor vehicle of a kind normally used on public roads with three or more wheels, which is either constructed mainly for the carriage of passengers or has roofed accommodation behind the driving seat fitted with side windows.

It was common ground that the Toyota Hiace owned by the appellant was a motor-car according to this description and therefore prima facie not deductible as an input since at all relevant times it was fitted with side windows. However, as the van was treated as a commercial vehicle for the purposes of tax and insurance the appellant claimed that it should be treated as such for the purposes of VAT.

He contended that the van was covered by one of the exceptions of the Order. A Vehicle is not to be treated as a motor-car if it is constructed for a special purpose other than the carriage of passengers and has no accommodation other than that which is incidental to the special purpose.

The appellant, a carpenter, claimed that his van had been constructed for the special purpose of carrying heavy loads, such as power saws and diesel generators. It had no back seat and was never used for domestic purposes, having been acquired for the purposes of the business of the appellant. The Commissioners denied the existence of any special purpose in that the vehicle was

designed for ordinary commercial purposes including the carriage of heavy loads.

With considerable reluctance the tribunal dismissed the appeal. The van was not constructed to carry passengers but was a load bearing commercial van and had there been no side windows it would not have been covered by the definition in the Order. However, as it was constructed for the general purpose of carrying goods it could not have been constructed for a special purpose. It was unfortunate that the van was classed as a commercial vehicle for some purposes and not for others but any question of amendment to the Order was a matter for the legislature and not for the tribunal.

Terence William Knapp v. Commissioners of Customs and Excise (LON/79/55, April 27th).

Who Built the Ship?

Shipbuilders are entitled to receive tax relief on vessels they have supplied, even if they have subcontracted the actual building work, the High Court decided recently. Mr Justice Phillips rejected a contention by the Commissioners of Customs and Excise that the Finance Act 1966, section 2, under which relief is paid, was aimed at encouraging only 'actual shipbuilders and yard owners, not mere entrepreneurs.'

He dismissed a Customs claim that

DOUBLE TAXATION

The Soviet Union

Exploratory talks at official level have been held in Moscow on the possibility of concluding a comprehensive double taxation convention between the United Kingdom and the Soviet Union. According to a recent Inland Revenue announcement, 'a substantial measure of agreement was reached on major points of principle, and it is proposed that further talks will take place in London during March 1980'.

Norway

Two Protocols to the Double Taxation Convention between the United Kingdom and the Kingdom of Norway were signed in Oslo on October 16th, 1979. One Protocol provides rules for the avoidance of the double taxation of, *inter alia*, production profits from trans-medial line oil and gas fields (that is, where the respective Governments have agreed that a field extends across the line dividing the Continental Shelf); the other Protocol relates specifically to the Statfjord field.

The Protocols are subject to approval by the House of Commons and the texts will be published in due course as schedules to draft Orders in Council.

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

	Basic	Concessional
ALL HEADINGS except Situations Wanted Minimum covering 5 lines	£6.00	£4.00
per line (5 words) in addition	£1.20	80p
SITUATIONS WANTED (including Training Contracts Required) Minimum covering 5 lines	£4.50	£3.00
per line (5 words) in addition	90p	60p

SEMI-DISPLAYED

All headings: per single-column cm (minimum 2 cm single-column)	£6.00	£4.00
---	-------	-------

FULLY-DISPLAYED

All headings: per single-column cm (minimum 5 cm single column)	£6.75	£4.50
---	-------	-------

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

PARTNER DESIGNATE. WEST END c. £10,000
Small established Practice are seeking the above. Ideally someone with a large Firm background wishing to grow with the Firm.

AUDIT SUPERVISOR. CENTRAL c. £8,000
Medium/Large Firm are seeking the above. Ideally someone who is wishing to grow within this splendid Firm.

AUDIT SENIOR. WEST END c. £8,500
Medium Firm are seeking the above. Ideally someone with larger type of background. Excellent Firm with first-class Partners.

INTERNAL AUDITOR to £12,000 plus car
Required by International trading company for U.K. and Ireland operations. London based.

ASSIST MANAGER SMALL AUDITS. CITY to £8,000
Medium Firm are seeking someone for the above position. Ideally someone who is wishing to make a career in Small work.

N.Q.A.C.A. CITY c. £7,500
Medium Firm are seeking a Newly Qualified. Ideally with a good exam record who is seeking a long-term career with prospects.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

**3 Partner Firm
London W9**

**Require Senior Audit
Staff**

**Write
The Staff Partner
Stone Joseph & Co
397 Harrow Road
London W9 3NP**

STOPPED SWOTTING? START SHOPPING

for a better job now!

NEWLY QUALIFIED
Profession up to £7,500
Commerce up to £8,000

PEII (FAILED)

Try again - earning £6,000 + courses + study leave. For details of jobs ranging from £4,000-£10,000 contact us now!

Blessed & Co

1 NEW BURLINGTON ST, LONDON W1

01-734 5156

Weybridge

Chartered Accountants

require audit seniors, not necessarily qualified, salary up to £7,000 per annum and semi-seniors, salary up to £5,500 per annum.

Please write with brief details to Firth Floyd, The Centre, 50-68 High Street, Weybridge, Surrey KT13 8BN or telephone Weybridge 51317.

BOOK-KEEPERS BUREAU

**OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR**

- **BOOK-KEEPERS**
- **ACCOUNTS CLERKS**
- **WAGES CLERKS**
- **MACHINE OPERATORS**

**TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS**

**39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676**

**118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441**

TRAINING OFFICER

Rowley Pemberton Group Services

Rowley Pemberton Group Services undertake practical professional training for a national association of accountancy practices, as well as other firms, and are looking for an enthusiastic Chartered Accountant to be part of a small team running the courses for both students and qualified staff. Previous experience in lecturing is not essential, but an interest in training and an outgoing personality are most important. The salary will depend on age and aptitude.

Applications should be in writing to:

**J. G. Collard
Rowley Pemberton Group Services
19/23 Ludgate Hill
London EC4M 7PD**



LONDON & HOME COUNTIES

REMEMBER NOVEMBER

THE PE2 RESULTS ARE OUT, FOR NEWLY QUALIFIEDS IT SHOULD BE A TIME TO CONSIDER YOUR FUTURE. DO YOU STAY IN THE ENVIRONMENT YOU KNOW WITH THE CLIENTS YOU KNOW OR SHOULD YOU MAKE A BREAK? NOVEMBER IS A TIME FOR INTERIM AUDITS LEADING UP TO THE BIG YEAR ENDS IN DECEMBER. IT IS A TIME WHEN FIRMS NEED GOOD QUALIFIED STAFF TO TAKE IMMEDIATE RESPONSIBILITY. IF YOU HAVE NOT YET THOUGHT WHAT A MOVE CAN OFFER GIVE US A RING OR COME IN FOR A CHAT, WE CAN GIVE YOU PROFESSIONAL ADVICE ACCOMPANIED BY PRACTICAL ASSISTANCE. MAKE NOVEMBER A TIME TO REMEMBER.

AUDIT MANAGER – HOLBORN

£10,000

Are you ready to take on a managerial role. This highly profitable practice can offer an ambitious A.C.A. everything he/she has been seeking both in terms of experience and responsibility.

AUDIT SENIOR W1 NNO

£6,500

If you are qualified by examination or experience then there may be an opening for you with this friendly yet competitive firm.

SEMI SENIORS W1

£4,750 & study leave

An important West End practice are seeking part-qualified people to augment their thriving audit dept. Study leave will be given.

CORPORATE TAX

£7,500

This "top 30" firm is looking for ambitious newly qualifieds to specialize in corporation tax. Excellent in house training and planned career progression.

INSOLVENCY AT A.I.I. LEVELS

This specialized sphere needs people with specialist skills or the aptitude to attain them. If this is you, come in and discuss the opportunities open to you.

NEWLY QUALIFIED FOR EC2

£7,000

If you have qualified in a large firm here is an opportunity to enter a medium sized one with large firm standards but without "audit factory" attitudes.

PA TO PARTNER – NEWBURY

£7,000

Work in a bustling provincial practice where the rural setting & varied working environment make future prospects bright.

SEMI SENIOR – WEYBRIDGE

£5,500

Why commute when you can earn a London salary without the problems of travelling? Broaden your experience in this expanding multi-branch practice.

SENIORS IN OXFORD

£6,000 Neg

Owing to recent expansion this established local practice with a wide variety of clients is looking for two Seniors for its Oxford office.

TAX MANAGER WC1

£10,000–£12,500

An experienced and qualified tax manager is urgently needed by this small practice where partnership prospects are excellent.

TRUST ASSISTANT EC2

c. £6,000

An opportunity to develop experience already gained in a demanding and rewarding environment. Good prospects for the hard working.

COMPUTER AUDIT EC2

£: High

A modern practice wish to recruit a recently qualified C.A. with computer audit experience. He/she will assist the manager in all aspects of this exciting discipline.

MANAGER/PARTNER DESIGNATE

£8,500–£9,000

A medium-sized firm in the City are offering good benefits and possible partnership to a C.A. with assistant-managerial experience.

PA TO PARTNER WC2

to £9,000

A high salary is offered to an applicant of high calibre by a partner who needs a capable assistant.

PERSONAL TAX AIDES – CENTRAL LONDON

£5,500

With at least one year's experience you could be eligible to assist C.A.'s specializing in personal tax in this international firm.

NEWLY QUALIFIED – YEOVIL

£6,500

This established provincial practice can offer a newly qualified A.C.A. long term career prospects with all round experience and considerable client contact.

PARTNERSHIP – BEDS

£7,500

A small ambitious practice in Bedfordshire can offer partnership to a recently qualified C.A. who is prepared to work hard and produce results.

AUDIT MANAGER – BROMLEY

£7,500–£9,000

Two years post qualifying experience? Interested in modern auditing techniques?

This firm offers rapid advancement and your own bloc of clients in return for application and ability.

N.B., LATE NIGHT OPENING THURSDAY to 7.00 p.m.

Accountancy Personnel

Halifax House, 62/64 Moorgate, London EC2 01-628 8525
14 Gt. Castle St., Oxford Circus, London W1 01-580 9186



Topcare Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

TAX

TAX PARTNER (DESIGNATE)

£10,000+

Very early partnership prospects for A.C.A. with some specialist tax experience.

MANAGER, WC2 **to £9,500**

Substantial practice can offer a very interesting and challenging post to someone with good personal tax knowledge.

TAX/TRUST MANAGER, EC2

c. £9,500

Large International firm seeks someone well versed in Personal Tax and Trust work. Preferably but not necessarily A.T.I.I.

SENIOR/MANAGER, W1 **c. £7,000**

Our clients are a small firm in Baker Street with very 'high class' personal tax work.

ASST MANAGER, EC2 **£7,000+**

Medium/large firm require someone who has been dealing with personal tax for a number of years.

ASST MANAGER, EC4 **to £9,500**

It is necessary to have had some company tax specialisation for this position which is with a medium/large firm.

SENIOR, EC4 **to £6,500**

Someone with five years' experience of personal tax is sought by large Trust Company. Mortgage assistance. Flexi-hours.

NEWLY QUALIFIED, EC2 **£7,000+**

Medium-sized practice has an interesting post which would be very suitable for a recently qualified A.C.A./A.C.C.A. wishing to specialise in tax.

SENIOR, EC2 **to £7,000**

Excellent future prospects exist with this very substantial congenial City practice.

NEWLY QUALIFIED, WC2 **c. £6,800**

Excellent training in U.K. and International tax and the opportunity for tax consultancy is offered by this International firm.

SENIOR, WC2 **to £9,600**

An A.C.A. with at least one year's post-qualifying tax experience is sought by this International firm.

TAX/TRUST SENIOR, WC1 **£6,500**

Every opportunity and encouragement will be given by this medium-sized firm to a competent person with previous profession office experience.

SENIOR, W1 **c. £7,500**

Professional office experience essential. Very friendly medium-sized practice.

AUDIT

P.A. TO PARTNER, EC2 **£9,500+**

A qualified A.C.A. is sought by this small/medium-sized firm who can offer partnership prospects to the selected candidate.

MANAGER, EC4 **c. £9,500**

An A.C.A. wishing to specialise is sought by this substantial City firm. Excellent prospects.

MANAGER, WC1 **c. £9,000**

Previous managerial experience is necessary for this post which is with an expanding firm of medium size.

P.A. TO PARTNER, W1 **to £8,500+car**

Preference will be given to someone who has been employed by a medium-sized firm.

ASST MANAGER, EC2 **to £9,000**

Due to an amalgamation this medium-sized firm seek a well experienced Senior person to deal with a very wide variety of audits.

PARTNER (DESIGNATE), W1 **£GOOD**

Definite partnership prospects in the near future exist with this small but very go-ahead practice.

PARTNERSHIP PROSPECTS, W1

£Negotiable

Very suitable post for a young ambitious recently qualified A.C.A.

NEWLY QUALIFIED, W1 **c. £7,500**

Excellent opportunity for a newly qualified Audit Senior. Small friendly firm.

SUPERVISOR, WC1 **£8,000+**

This medium-sized practice seeks a well experienced Audit Supervisor. Preferably but not necessarily qualified.

OFFICE MANAGER, W1 **£6,500**

Very good opportunity for someone with previous professional office experience to join medium-sized practice.

P.A. TO PARTNER, WC1 **£8,000+**

Suitable post for A.C.A. with two years' post-qualification experience.

TRUST STAFF

ASST MANAGER, EC2 **to £7,000**

Very large International firm requires lady/gentleman with good trust experience.

SENIOR, EC2 **to £7,000**

Previous professional office experience essential. Large firm.

SENIOR, WC1 **c. £6,500**

Good knowledge of trust accounting and personal tax required for this post.

PROVINCIAL

AUDIT STAFF

Aldershot - Trainee A.C.A./A.C.C.A.

Aylesbury - Semi-Senior to £5,000

Bexhill - NQ A.C.A. to £8,000

Bromley - A.C.A. P/ship Prospects - to £9,000

Camberley - Trainee Acct - c. £3,000

Eastbourne - NQ A.C.A. - £8,000

East Grinstead - Manager - c. £6,000

Farnham - Trainee Acct - c. £3,000

Farnham - All-levels - £NEG

Harrow - Audit Senior - c. £6,500

Ipswich - Audit Spvsr - to £8,000

Ipswich - Semi-seniors - to £6,000

Lewes - NQ A.C.A. - to £8,000

Mitcham - Senior - £NEG

Newbury - P.A. to Partner - £6,000 +

Northampton - Audit Senior - to £7,000

Norwich - Semi-seniors/Seniors - £NEG

Oxford - Senior. P/ship to £8,000

Reading - P.A. to partner to £9,000

Rye - P.A. to partner. P/ship - c. £8,500

Salisbury - P.A. to Ptn. P/ship - £NEG

Sidecup - Trainee Acct - c. £3,000

Southampton - Accounts Assist. - £NEG

Southend - P.A. to Ptn - c. £7,000

Surbiton - P.A. P/ship - £8,000 +

Sutton - Trainee Acct - £NEG

Sutton - Semi-senior - c. £4,500

Watford - P.A. to Ptn - c. £6,500

Wembley - NQ A.C.A. - £6,500 + car

Weybridge - Audit Senior - to £9,000

Woking - Trainee Acct - c. £3,000

Yeovil - NQ A.C.A. - £6,000

TAXATION STAFF

Birmingham - Corporate Tax - c. £6,500

Birmingham - Personal Tax - £5,500+

Bradford - Personal Tax - c. £6,000

Croydon - Personal Tax - £NEG

Esher - Personal Tax Assist - £NEG

Harrow - Corp Tax Assist - c. £6,500

Hertford - Personal Tax to £7,000

Hexham - Personal Tax - £6,000 +

High Wycombe - Tax Spvsr to £8,000

Ilford - Personal Tax - £NEG

Maidstone - Tax Mngr - £HIGH

Manchester - Personal Tax - c. £6,000

Newcastle - Corporate Tax - £6,000+

Portsmouth - Corporate Tax - £NEG

Portsmouth - Personal Tax - £5,500+

Preston - Personal Tax to £6,000

Richmond - Personal Tax to £7,000

Sidecup - Personal Tax - c. £4,500

Southampton - Tax Asst - £NEG

Thornton Heath - Personal Tax to £8,500

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.



Mature Manager

Brighton

£6,500

Independent small but expanding firm seeks mature Manager 30-45 well experienced in small general practice and taxation work. Should currently be in the profession and seeking responsible appointment.

Ref S.178

WESSEX CONSULTANTS
2 PETER STREET, YEOVIL, SOMERSET
TEL: 0935 25996/0935 25183



Reading Chartered Accountants seek

lively young qualified persons to act as personal assistants to senior partners at both the Reading and Basingstoke offices of their long-established busy general practice. Excellent opportunities for the right men or women. Usual terms of employment. Salary by negotiation.

Please write in the first instance to the Staff Partner, **Ernest Francis and Son, Somerset House, Blagrove Street, Reading, Berkshire**, giving full details of education and experience to date.

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act.
Our service to applicants is personal, confidential and free

INDUSTRY • PRACTICE

INDUSTRY • PRACTICE

COMMERCE • PRACTICE • INDUSTRY • COMMERCE

£9,500 plus car

London EC2

MANAGER

Progressive seven partner practice requires manager for portfolio of medium sized clients plus special work. Lots of client contact. Experience of medium sized practice most useful. Very good prospects.

Similar position

c. £10,250

London W1

We deal with over 800 firms in London and have vacancies in Watford, Wembley and Harrow as well as Central London. We offer unbiased advice and a personal service.

Contact Brian Ingram on
01-458 5313

Ingram Recruitment

PUBLIC PRACTICE

ABLE SENIOR required to help a busy two-partner practice near London Bridge. May be qualified or unqualified. Must have experience of incomplete records and the initiative to handle many matters on his own. Broad technical knowledge and an interest in preparing accounts by computer are desirable. Salary and study leave by negotiation. - Telephone 407 3422/3.

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

A LONDON W1 firm of accountants, superbly situated attractive spacious offices, are looking for a young chartered accountant to join them for a preliminary working period prior to partnership. - Write Box AL 2954.

... and if you are a competent senior who wishes to work in a small firm, London NW6 (staff eight) on larger jobs including the tax at a good salary with excellent prospects. - Write Box AI 2955.

AN ABLE SENIOR, qualified or unqualified specialising in tax, required by chartered accountants, London NW6 to deal with a variety of substantial matters on his own initiative including the correspondence. Attractive salary with definite partnership prospects if qualified. - Write Box AA 2940.

CHARTERED ACCOUNTANTS returning from overseas immediate opportunities in Avon, Berks, Somerset and Sussex. - Contact Wessex Consultants, 2 St Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

A RAPIDLY expanding West End practice require semi-senior clerks with sound basic training. It is envisaged that successful applicants will rapidly enhance their career development and assume responsibilities commensurate with their ability. - Salary dependent on age and experience Box AR 2971.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agy).

C.A.s West Country and South Wales require qualified manager 25-35. Mixed practice. No specialist department. Salary circa £7,000+ commencing. Possibility of partnership. - Box CA 2982.

CHARTERED ACCOUNTANTS. - Edgware, require junior and semi-senior audit and accounts staff for small, modern and expanding practice. Good terms and facilities. - Please Tel. 01-951 0888.

CHARTERED ACCOUNTANTS, LEICESTER, require a personal assistant to the partners with experience of incomplete records and personal taxation. The applicant must be prepared to work with a minimum of supervision and to deal directly with clients. Salary, commensurate with age and experience. - Box CA 2933.

CHELSEA CHARTERED ACCOUNTANTS require (a) qualified assistant to partner, (b) trainees, graduate or non graduate. Small firm but with extensive range of cases and experience. Salary by arrangement. - Please write with details of career to date etc. to Gale & Partners, Midland Bank Chambers, 44 Fulham Road, Chelsea, London SW3 6HQ.

CANTERBURY OFFICE of a firm of Chartered Accountants requires two qualified or near qualified accountants to act as Personal Assistants to Partners. We are a branch of a national firm and can offer varied and interesting work with in-firm C.P.E. training. There is always the possibility of a future partnership for the right individual and our salary structure is probably above average. In addition, there are numerous additional benefits offered to permanent staff.

For further information write to MacIntyre Hudson, 32/33 Watling Street, Canterbury, or Telephone Canterbury (0227) 54861.



Cambridge/Norfolk Borders

Country Town firm

ACA under 32

c. £7,000

Our clients, flourishing Town Branch of well established East Anglian Chartered Accountants are anxious to recruit a capable manager interested and well experienced in Provincial Town practice work. Especially suited to those with agricultural background seeking career prospects.

Ref 944

WESSEX CONSULTANTS
2 PETER STREET, YEOVIL, SOMERSET
TEL: 0935 25996/0935 25183



Farm and Estates

Accounts Manager

to £9,000

West Sussex/South Hants Borders appointment with established country town firm seeking Manager 35-45 with in-depth experience of farm and estates accounts and Taxation.

Ref W.90

WESSEX CONSULTANTS
2 PETER STREET, YEOVIL, SOMERSET
TEL: 0935 25996/0935 25183



GABRIEL DUFFY (CONSULTANCY)

29 Thurloe Street
London SW7 2LQ
01-581 0895

ACCOUNTANT CITY £8,000-£10,000

A rapidly expanding firm of Insurance Brokers require a young Qualified Accountant to take charge of all internal accounts and related matters. Currently computerising.

INVESTMENT DEPT. MANAGER CITY C.A.s. £7,500-£8,250

Young Qualified (Female or Male) Chartered Accountant, to specialise in auditing and accounts of companies buying/selling stocks, shares and property. Supervision of 4 assistants.

GDC · KENSINGTON · 01-581 0895

CHINGFORD CHARTERED ACCOUNTANTS moved from City have vacancies for accountancy and audit staff. Varied and interesting work, salary negotiable. - Box CC 2983.

EAST LONDON chartered accountants due to continuing expansion now require an additional partner excellent prospects for the right candidate. - Please reply Box EL 2975.

EXPERIENCED SEMI-SENIORS required by London W1 firm of chartered accountants. Transfers of articles considered. Salary negotiable according to ability and experience. - Telephone 01-636 9376.

EXPERIENCED SENIOR required by accountants in Bexleyheath, must be familiar with personal/company taxation and incomplete records together with ability to audit medium-sized limited companies. - Telephone 01-304 8334/5.

ACCOUNTING

Small West End Chartered firm requires an audit semi-senior. The work involves preparing accounts including auditing your own work. Good experience is the main qualification needed.

Initial salary circa £4,500.

Applications giving brief details in your own handwriting to:

Smee Moore & Co
50 Monmouth Street
London WC2H 9ES

FAST DEVELOPING chartered accountants in County Durham require seniors, not necessarily qualified. An interesting and wide variety of work including computerised incomplete records. Salaries in the range £4,000 to £7,000. A car may be provided. - Box FD 2992.

FINCHLEY PRACTICE wants 3 semi-seniors - minimum two years' experience. Good training on audit, tax and accountancy - competitive salaries paid. - Brian Ingram Associates, 01-458 5313.

HIGH SALARY will be paid by a small firm of C.A.'s in NW London to a competent senior who specialises in tax. - Reply Box HS 2976.

IF YOU HAVE passed your A.C.C.A. exams then we can offer you excellent terms to gain further training and experience in a pleasant atmosphere of a small professional firm in Holborn, also required is an experienced person to work part-time for approximately two days per week. - Please telephone Mr Gordon 01-405 8928 (day); 01-958 9810 (early evening).

£9,000 per annum

We are a firm of Certified Accountants acting mainly for substantial private companies, some with several subsidiaries or associated companies, and we require a really professional senior to lead our audit staff and complete accounts. The right person should have full knowledge and experience of current accountancy and audit practice and all forms of taxation for finalising accounts of proprietary companies, and to work directly with the partners.

Write with full details of age qualifications and experience to **The Senior Partner, T. H. Hazlem & Company, 29 Dering Street, London W1R 9AA.**

JUNIOR AND SEMI SENIOR audit staff required by a four partner firm of Islington accountants. Salaries are negotiable according to age and experience. - Please telephone Mr Ellahee at 01-837 6301.

LIVERPOOL

Busy young firm of Chartered Accountants require another newly qualified person to take responsibility for a wide range of high quality clients. Good salary and bonus. Excellent working conditions. - Box LB 7184.

MEDIUM FIRM of chartered accountants require (1) Seniors, qualified or unqualified. (2) Tax senior, qualified or unqualified. Good working conditions. Salary according to age and experience. - Telephone Mr J. Mehta, 01-248 6724.

NORTH DEVON CHARTERED ACCOUNTANTS seek A.C.A. under 35 for their expanding two office firm. Able person, capable of controlling variety of clients and well experienced in rural practice work. Partnership 1981-82, c. £7,500. - Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel. 0935 25996/25183.

OFFICE MANAGER

Not Necessarily Qualified

Required by Chartered Accountants with offices adjacent to Harrow Metropolitan Line Station. Experience of finalisation of accounts and staff organisation essential. Non-contributory pension scheme after one year. Salary c. £6,500. - Apply to The Staff Partner 01-427 2876.

PERSONAL TAX ASSISTANT

Full- or Part-Time

Required by Chartered Accountants in Harrow. Experience of P.A.Y.E., Schedule D and C.G.T. essential. Salary negotiable. - Apply The Staff Partner 01-863 1081.

PERSONAL TAX SENIOR

required by 3-Partner North London Chartered Accountants to organise and develop tax department. Experienced with good general working knowledge of income and capital gains taxes. Direct contact with clients. Plans to increase and develop existing cases. Salary £6,750+. - Please write with C.V. to Howard Wade & Jacob, 13 Bruce Grove, London N17.

PROSPECTIVE PARTNER. - This expanding two-partner firm with a wide range of work needs an A.C.A. with good all-round experience to accept responsibility for a block of clients. There are excellent prospects of advancement which should lead to partnership for the right candidate. - Please send full personal and career details to Brough Postlethwaite & Co, 11-13 Thorne Road, Doncaster.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6397.

RETIRED PERSON wanted one day mid-week to produce profit and loss accounts from incomplete records. £2.50 per hour approx. - Wembley Box RP 2978.

SEMI-SENIOR required by City accountants. Contact Qureshi and company 01-638 3815. Good conditions with experience of computers available.

SENIOR AND SEMI-SENIOR audit staff required by West End chartered accountants. Top salaries offered. - Box SA 2958.

SENIOR AND SEMI-SENIOR AUDIT STAFF urgently required by West End chartered accountants. Interesting and varied work in friendly and expanding practice. Good salary and training offered. - Write Box SA 2961.

SMALL FIRM of chartered accountants in North West London require semi-seniors and a senior unqualified audit clerk. Good salary and long-term prospects with comfortable working conditions in an easy going office. - Box SF 2996.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

SOUTH-WEST LONDON firm of accountants seek seniors/semi-seniors. Experienced in the preparation of accounts and small to medium audits. Salaries negotiable. - Tel. 01-870 4309 or 01-870 7894.

TAX. - A senior required by C.A.s, London NW, at a good salary wishing to specialise and/or take charge of a small tax department with several substantial cases. Definite partnership prospects if qualified. - Write Box TA 2942.

THREE-PARTNER FIRM C.A.s, London W1, require unqualified senior assistant, to work in a friendly and expanding young practice. - Box TP 2959.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. - 01-405 4457.

£7,500 p.a. IS OFFERED to a competent senior to handle tax and accounts in a small firm of C.A.s, London North West. - Please apply Box LS 2941.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. - Write Box AC 2997.

ARTICLES/TRANSFERS from £3,250. - Pembroke & Pembroke operate a national service. - Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CHARTERED ACCOUNTANTS at Cricklewood, London NW2, have vacancy for a suitable student, preferably living locally. Excellent experience available in small office under the personal supervision of the sole principal. - Apply in writing with full personal details to Box CA 2994.

WEST END CHARTERED ACCOUNTANTS seek articles clerk to work under direct supervision of partners. Transferee considered. - Please write with full details to Box WE 2980.

WEST END CHARTERED ACCOUNTANTS urgently require articulated clerks. Thorough training and good progressive salary. - Write Box WE 2962.

**DO YOU
HAVE DIFFICULTY
IN WORDING
YOUR
ADVERTISEMENT?**

If so, may we help?
Ring 01-836 0832
Extension 30

COMMERCE & INDUSTRY

A FAST-GROWING group of companies in North London require an accountant with initiative to take control of accounting, financial and administrative functions. They will report directly to the managing director. There will be an opportunity to share in the growth of the group. Initial salary £7,000-£8,000. Car and pension will be considered after short probationary period. — Please write giving full details of career to date to: G. K. Jacob, 13 Bruce Grove, London N17 6RA, or phone 01-801 2246.

DEVON SOLICITORS with expanding practice require accountant to manage the accounts department and in due course to advise the firm and clients on fiscal and other financial matters. The applicant must have good experience of the solicitors' accounts rules. Salary by negotiation. — Please write with full details to M. T. Penny, Messrs Veitch & Co, 2 Market Street, Crediton.

EXPERIENCED ACCOUNTANT qualified/unqualified to run small accounts department of International haulage company. Experience in computerised ledger and costing systems, credit control, budgeting and provision of management information. Preferred age 40-45. Salary negotiable. — Telephone Guildford 64703.

WANTED. — Book-keeper and/or accountant to handle overall administration of book-keeping and related matter. London area. Salary according to age and experience. London area. — Telephone Mr J. Mehta, 01-248 6724.

Please mention this
Supplement when
answering
Advertisements

INTERNAL AUDITOR

c. £5,750

A suitably qualified person is required to carry out internal audit procedures throughout the Society the successful candidate will work on his/her own initiative but will be responsible to the Chief Accountant on all internal audit matters. This is a new appointment within a large and progressive Co-operative Society which offers a unique opportunity for further career development. Previous experience in the retail trade essential. A salary in the region of £5,750 envisaged plus other benefits expected from a large retailing organisation. Application forms available from Personnel Department, Coventry and District Co-operative Society Ltd, P.O. Box 31, Corporation Street, Coventry CV1 1GE. Tel. (0203) 24031, ext. 58.



THE LAW SOCIETY INTERNAL AUDIT DEPARTMENT

In the Society's offices at Roger Street, just off Grays Inn Road, there is a requirement for a man or woman in the Internal Audit Department which provides audit services to the Law Society management mainly in respect of the administration of the Legal Aid Scheme.

The position is in a department where audit procedures are under constant review to meet challenging developments.

A good practical accounting or audit background is essential, and knowledge of computerised systems would be an advantage. Applicants must be prepared to acquire and apply specialised knowledge relating to the appointment.

Although based in London, some travel will be necessary, but this will not be excessive.

Salary will be negotiable from £4,928, including London Weighting and benefits include 20 days' annual leave, contributory pension scheme and free life assurance.

Write with full details of age, education and experience to: Personnel Officer, The Law Society, Greencroft House, 12 Roger Street, London WC1N 2JL.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London, WC2, with a covering note stating that the reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

GABRIEL DUFFY (CONSULTANCY)

29 Thurloe Street
London SW7 2LQ
01-581 0895

P.A. TO PARTNER JERSEY £8,000-£10,000

Entrepreneurial Practitioner in his mid-thirties requires an ambitious Right-Hand Person. Solidly expanding portfolio of clients, with a bias to general practice rather than pure audit. Good partnership prospects in one to three years. Ideal age: 26-32. Accommodation (single or married) available. An excellent opportunity — and remember the moderate Channel Isles income tax!

AUDIT MANAGER LAGOS £Excellent

Qualified Chartered Accountant for flourishing Nigerian Practice of a top International firm of C.A.s. The ideal candidate will be a Graduate, trained with another large firm. Career prospects are excellent, including partnership in the medium term.

GDC · KENSINGTON · 01-581 0895

ACCOUNTING ANALYST

WATFORD/CROYDON — NEG £5,500 +
BONUS

A new appointment within the U.K. Management Company providing a range of financial services to retail outlets with the full support and active co-operation of the U.K. Oil Industry.

Your role provides training to assume responsibility for the control of area accounting requirements including detailed analysis of monthly financial reports. You will work from home with the support of a Regional Manager.

Initial salary is negotiable and progressive, benefits include profit sharing related to personal performance and you will receive guaranteed out of pocket and travel expenses.

Preference will be given to applicants aged 23 + with the advantage of a professional training now seeking the opportunity to progress to a management role.

Call Robert Miles on 01-248 6321

Personnel Resources Limited 01-248 6321

Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

CONDITIONS OF ACCEPTANCE OF CLASSIFIED ADVERTISEMENTS

1. The publishers cannot guarantee insertion on any specified date, but every effort is made to comply with advertisers' requirements.
2. The publishers will not be held liable for any loss occasioned by the failure of any advertisement to appear from any cause whatsoever.
3. The publishers will not accept responsibility for printing errors which may appear or for any consequences arising therefrom.
4. Box number addresses must not be used for the receipt of original documents, goods or payments of any kind, nor are they available for the distribution of circulars or canvassing matter. Any letter is liable to be opened for examination of its contents.
5. The right is reserved to refuse, cancel, suspend publication, or alter any advertisement which in the opinion of the publishers does not conform with recognized professional standards.

PARTNERSHIPS AND PRACTICES

RMA

RESOURCE MANAGEMENT ASSOCIATES
P.O. BOX 100, CHELMSFORD, ENGLAND
0245 81166/59348 - NIGHT 0245 81166

PRACTICE DISPOSAL

Overworked, partnership problems, other pursuits, retirement? The confidential service of RMA will help you to reap the maximum personal and financial benefit.

PRACTICE ACQUISITION

The advantage of our service is that we often identify practices before they are placed on the market and thereby can save considerable delay frustration and expense.

PRACTICE MERGERS

Mergers often result in fast growth and can be achieved without a big capital outlay. The combined resources only enhance the firm's own future development prospects.

PRACTICE VALUATIONS

Practice valuation given for assessing the equity share of incoming or outgoing partners, practice disposal, acquisition or merger and also for internal appraisals.

THE ADVISORY SERVICE

Firms wishing to merge, dispose or develop can be visited for a confidential discussion. The fee for this is pre agreed and is fully deductible in the event of a deal. Identity not disclosed without consent.

Practice disposal merger and acquisition services throughout the United Kingdom. We maximise results, you retain initiative. References available on clients' request. Identity not disclosed without permission.

0245 81166

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. - Please reply to Box AM 6413.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. - For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF

WEST SUSSEX/HAMPSHIRE to £250,000 GF

GLASGOW/EDINBURGH to £250,000 GF

BIRMINGHAM/BRISTOL/CARDIFF/

DUNDEE/EASTERN COUNTIES to £500,000 Plus GF

DEVON/CORNWALL/SOMERSET to £100,000 GF

CAMBRIDGESHIRE/NORFOLK/

BEDFORDSHIRE c £40,000 GF

DENNIS CHATFIELD & ASSOCIATES

WHEATSEAF HOUSE,

4 CARMELITE STREET,

LONDON EC4Y 0BN

TELEPHONES 01-353-1307/

1308/5831.

RMA

RESOURCE MANAGEMENT ASSOCIATES
P.O. BOX 100, CHELMSFORD, ENGLAND
0245 81166/59348 - NIGHT 0245 81166

PRACTICES REQUIRED

Should you be contemplating disposal of your practice within the next two years our counselling service will assist you to avoid the hazards and obtain the maximum personal and financial advantages quickly.

**The City of London
Greater London Area
The Home Counties
The South of England
North and South Wales
The West of England
The West Midlands
Greater Manchester Area
North & South Yorkshire
The North of England
Edinburgh and Glasgow
East Anglia and the Fens
Greater Liverpool Area
The North of Ireland
The Republic of Ireland
Jersey and Guernsey
Europe and Scandinavia
America and Canada**

Confidentiality is assured and immediate personal service given at reasonable cost. RMA avoids client and staff unsettlement. You acquire capital/mitigate Income Tax. Valuations are prepared within seven days.

0245 81166

A.C.A. GUILDFORD. - Tired of commuting seeks position in provinces. Good all-round small/medium firm experience including tax and training. - Box AC 2995.

A CERTIFIED PRACTITIONER in Newcastle upon Tyne would like to acquire by the end of 1979 gross fees between £10,000/£20,000 either in Newcastle or Morpeth district. - Box AC 6405.

A FOUR-PARTNER CITY FIRM of accountants need to fill vacancy due to retirement.

A short probationary period will be required prior to equal equity partnership.

All replies will be answered and treated in strictest confidence. - Please reply Box AF 7167.

A FOUR-PARTNER West End firm of Chartered Accountants desire to fill a vacancy caused by retirement.

A preliminary period of employment is envisaged to ensure that all parties are compatible during which time remuneration recognising partnership prospects will be paid.

Applicants must have at least two/three years' post-qualifying experience (or be prepared to work a longer probationary period) and be willing to absorb responsibility and have a keen interest in all aspects of professional life. - Box AF 7173.

A QUALIFIED certified accountant (Ceylone) with considerable commercial experience seeks position with sole practitioner or small firm. Prospects to partnership once practising certificate is obtained - some capital available. - Please apply to Box AQ 2986.

C.A. IN PRACTICE wishes to acquire block of fees to £10,000 which could be serviced from the Croydon area. Would also be interested in contact with practitioner considering retirement. - Box CA 2946.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. - Box CA 6414.

CHARTERED ACCOUNTANTS North London, wishing to expand, seek to purchase, or merge with, an existing practice with G.R.F. of up to £40,000. London area or surrounding home counties. All propositions will receive serious consideration. - Box CA 2987.

CHARTERED ACCOUNTANT with a practice in West End wishes to acquire a small practice. Would also be interested in discussions with practitioner considering retirement. - Box CA 2915.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. - Box CA 6409.

CITY ACCOUNTANTS seek merger with over-burdened sole practitioners looking to lighten their load or contemplating retirement. - Please reply Box CA 7168.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantage. - Please reply to Box CC 7137.

CITY FIRM of chartered accountants concerned to give a personal service to clients is interested in requiring additional fee income from a practitioner wishing to retire. - Box CF 2947.

EAST SUSSEX, G.F. £12,000. This small practice is now available and offers are invited in the region of £20,000 for the goodwill. - RMA Tel. 0245 81166.

F.C.A., aged 30, living in Mill Hill, wishes to acquire £6,000 G.R.F. Would also consider subcontracting arrangement. - Please write Box FC 3000.

FOR SALE £50,000 G.R.F. (approx. 100 clients) London. - Offers to Box FS 2979.

PARTNERSHIP OR OUTRIGHT SALE in practice in West Yorkshire, established fifty years. G.R.F. over £40,000. Continuing three-year lease. Loan available. - Box PO 2936.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. - Dennis Chatfield & Associates, Wheatseaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

PRACTITIONER WISHES to acquire old-established practice where a personal client service is highly regarded. - Please reply in strictest confidence. - Box PW 2937.

SOLE PRACTITIONER, B.O.T. authorised, situated SW. Essex and NE. London with G.R.F. £25,000 seeks merger/association to pool resources and overheads and cope with expansion. - Box SP 2988.

SUFFOLK SOLE PRACTITIONER in country town office seeks young A.C.A. looking towards partnerships and interested in small rural town environment. C. £6,500. - Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

TWO YOUNG CHARTERED ACCOUNTANTS wish to acquire small practice or block of fees in the Greater London area. - Replies in confidence to Box TY 2965.

WELL-ESTABLISHED chartered accountant seeks further expansion by acquiring a block of fees up to £20,000 G.R.F. Specialist services are provided for smaller clients. Preferred area is NW. London but all related areas would be considered. Cash/pension arrangements can be promptly arranged. Box WE 7185.

SUBCONTRACT WORK

ENFIELD FIRM requires subcontractors, preferably in profession, with good experience. Must be able to prepare taxation computations for sole traders to companies. - Full particulars of experience to Box EF 3002.

SUBCONTRACTORS required to work at accountants in Bexleyheath, to practice final accounts from incomplete records and ability to audit limited companies and must be experienced in person/company taxation. - Telephone 01-304 8334/5.

SOUTH-WEST MANCHESTER ACCOUNTANTS require subcontractor for incomplete records and some management accounting on a regular basis. - Apply Box SW 2948.

ACCOUNTANT QUALIFIED incomplete to computer accounting. - Box AQ 7174.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. - Please reply to Box AC 6415.

CHARTERED ACCOUNTANT looking for subcontract work. Will collect and deliver back. - Please reply to Box CA 2966.

CHARTERED ACCOUNTANT (44), with extensive experience of incomplete records seeks long-term arrangement with smaller firm to prepare accounts to draft stage with relevant tax computations and returns. Prompt collection and delivery assured. South Essex area preferred but could suit London firm with staff problems. - Box CA 2949.

EXPANDING FIRM in Hornchurch Essex require subcontractual assistants. Must be fully experienced in company audits, incomplete records and be prepared to work to trial balance stage. - Replies (own handwriting please) to Box EF 2928.

F.C.A., seeks regular subcontract work or temporary assignments. Willing to work at firm's premises. Will collect and deliver. - Box FC 2989.

F.C.A. with wide experience in all fields, seeks subcontract work in London and Surrey. Contact immediately. - Box FC 2950.

PEII FINALIST with twelve years of intensive all-round professional experience, seeks permanent subcontract work. Available immediately. - Box PE 2951.

SITUATIONS WANTED

ACCOUNTANCY ASSISTANCE

Available immediately. Let the HARRISON/WILLIS TASK FORCE overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. - Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

**Greater Birmingham
Merger/Acquisition Required
Firm Estb. c. 1869 GF c. £10m**

■ **AN OPPORTUNITY** has arisen for practitioners in the Greater Birmingham area to take full advantage of our client's resources and professional position to enhance their own. The combination of services, systems, training schemes, national coverage and international connections offered, merit your immediate consideration.

■ **MERGER.** Our client's practice is structured so that each office has complete autonomy, individual character and flexibility, and in this way can provide incoming partners with the greatest scope for personal fulfilment, better client service and a strong competitive advantage.

■ **ACQUISITION PROPOSALS.** Up to $1\frac{1}{2}$ times the Gross Fees will be paid in capital and, in addition, a valuable consultancy contract provided if this is required. To find out more about these excellent opportunities contact us in strictest confidence today. Your identity will not be disclosed to any party without permission.

**Merger/Acquisition
City Firm c. £1,000,000 GF**

■ **OUR CLIENT**, a forward looking Chartered Practice of unquestioned integrity and substance, established at the turn of the century, now wishes to promote a constructive Practice, merger acquisition and/or association.

■ **LOCATIONS OF INTEREST.** Our client wishes to merge or acquire in the East, South or West of London and also within a 50/60 mile radius of Bristol. The West coast and West of England would also be considered. Generous financial and personal terms will be offered.

■ **ASSOCIATIONS.** To strengthen our client's facilities on a nationwide basis, Associations are also sought in the following areas: Belfast, Manchester, Edinburgh or Glasgow, Ipswich or Norwich, Leeds, and the South coast. Your identity will not be disclosed without consent.

■ **TO EXPLORE** these profitable and growth orientated opportunities contact our Managing Partner for an impartial and completely confidential discussion, or write giving brief details of any propositions in confidence.

**Merger/Acquisition
National Firm GF £10m Plus
Greater Cardiff Area**

■ **OUR CLIENT** a long established Chartered Practice of National stature, with an increasing number of strategically placed offices throughout the United Kingdom, now seeks to develop further by means of a compatible merger or acquisition in the Cardiff area.

■ **THE ADVANTAGES** which would accrue to firms seeking growth by merger in this area would include exceptional training assistance, availability of highly advanced systems, expert specialist counsel and, in addition, substantial geographical benefits both nationally and internationally for the promotion of client attraction, retention and development to the full potential.

■ **THE SETTLEMENT** envisaged will be generous – in the case of acquisitions up to $1\frac{1}{2}$ times GF with highly attractive consultancy options. In the case of mergers, as our client believes in the autonomy of each office, individuality and personal contribution will be maximised. To discuss these excellent opportunities contact us in strictest professional confidence at once.

**The North of Ireland
Merger/Acquisition Required
By Belfast Firm GF £ $\frac{1}{4}$ m**

■ **AN EXCEPTIONAL** opportunity has emerged for Accountants in the Belfast area, and North of Ireland generally, to consider how the future of their practice could benefit from our clients' proposals. Inquiries are invited, therefore, in strictest confidence and on the understanding that nothing will be divulged by us, without your permission to any party whatsoever.

■ **OUR CLIENT** has ample space available, a progressive approach and outlook, highly qualified staff and specialists, international business and connections, successful systems and training facilities and is convinced that a compatible merger with an established firm in the North of Ireland could be most beneficial to both parties.

■ **ACQUISITION PROPOSALS.** If you are contemplating sale, retirement, or full/partial withdrawal from practice and wish to realise the best deal, we are prepared to offer up to $1\frac{1}{2}$ times the GF as a capital sum plus consultancy arrangements if required.

**RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE**

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. - Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. - All replies to Box AC 6416.

BOOK-KEEPER. - Willing to work at home. Will collect and deliver in NW. London area. - Please telephone 01-952 2094.

PEH FINALIST immediately available, seeks permanent position in a medium-sized practice in London. Five years' good experience in incomplete records, audits and accounts of companies with up to £4 million turnover. - Replies Box PE 2952.

CHARTERED ACCOUNTANT, graduate. Wide experience including U.S.A. and Germany. Seeks short-term assignments or subcontract work. U.K. or abroad. - Reply to Box CA 2990.

CHARTERED SECRETARY/ACCOUNTANT (46), ten years U.K. experience in profession seeks employment. Salary negotiable. - Write Box CS 2938.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5

Freelances and Job Applicants required also.

SERVICES

COMPANY FORMATIONS

A BACKED SERVICE. - Limited companies formed or ready made. - Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

Express Co
Registrations
Ltd 30 CITY ROAD
LONDON EC1

COMPANY SEARCHES. - Prompt and reliable personal service at moderate rates. - M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

GREATER MANCHESTER

Company formations

Ready-made companies

All-inclusive charge £94

Apply:

Elderlene Limited
7 New Hall Avenue
Salford, M7 0JY

Telephone 061-834 1408

LIMITED COMPANIES

NEW FORMATIONS

—AND—

READY-MADE COMPANIES FOR ALL TRADES £90 (Complete: no hidden extras)

ALSO

COMPANY SEARCHES

Searches, Seals, Registers, etc.
Descriptive literature from:

**GRAY'S INN COMPANY
FORMATIONS LTD**
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

READY-MADE COMPANIES

NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

ANNUAL RETURN - COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING - COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ

Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex. 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS - An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd - Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol. The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5. Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554
Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

Services Directory

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex: 8813082

Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663

Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892

Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394

Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321

Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES - COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Practitioners can, in association with us, provide management information with ease and profitability to clients. Cash flows, profit forecasts etc.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353. Telex: 264420. Contact Michael Southgate

Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN. Tel. Maidenhead (0628) 37123

On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA. Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336 (Ring, write or call)

Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788

Specialist supply of all types of equipment and consumables to Practitioners. Agencies with all major suppliers, discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE

Branches: 61-63 Beak Street, London W1R 4JA

186 Fleet Street, London EC4

Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE Services. Includes the 'normal' reports and additional schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB.

Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.

Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH. Tel. Long Stratton (0508) 30324 and 30448

Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex: 935109 (Open 7 days a week)

Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB. Tel. 01-439 6007. Telex: 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA. Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone; offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Based on our considerable experience, we can advise the Practitioner on how to cut through the morass of new technology to obtain higher profitability and greater efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London, EC4N 6AE. Tel. 01-248 4277.

Members of the Stock Exchange, established 1852.

Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX. Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skaites, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332. Telex: 667783 and London

Services include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street, Plymouth, 30 Milsom Street, Bath, 16 Sourthernhay West, Exeter

Valuation and rating surveyors, consultants to caravan and leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new buildings, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow. Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561 (and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TAX ASSESSMENT - COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Fully automated service to monitor tax payments due, and overdue accumulating interest. Register and payslips prepared fortnightly. Permanent tax schedules prepared.

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA

Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU. Tel. 01-836 1840 and 01-836 1923

All languages - all deadlines

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETTLBURGH LIMITED
140, 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON
EC4V 0HE. Tel. 01-353 1441
 Ring any day - any time - 24 hour service

READY-MADE COMPANIES available now, also formations, etc. - Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81.68 including books, seal, VAT. *Speedy searches*. - Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

MORTGAGES

ABANDON CHASING THAT MORTGAGE. - 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. - Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

A COMPREHENSIVE MORTGAGE SERVICE. - Maximum loans for professional applicants. Very competitive top-up facilities. Attractive second mortgage scheme. Speedy mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. - Rowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. - 01-908 3434 (24 hours).

SECURED LOANS and remortgages for accountants. - 01-346 4653. Martin Hasseck Ltd, Freepost, London NW4 1YB. **100 PER CENT MORTGAGES** available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. - Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

MISCELLANEOUS

CLIENT ACQUISITION. - Operations manual and cassette tapes effecting total practice development including client acquisition at 8 to 12 per month. \$70,000 to \$500,000. - Write for free information. Business Services International, Practice Development Center Division, 615 W. Main, Suite 318, Arlington, Texas, 76010.

PERSONAL

DATELINE'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

EXPERIENCED ACCOUNTS TYPIST (ex C.A. Sec.) available for home typing. - Further details 01-886 1058.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

BUSINESS PREMISES

ACCOUNTANTS close to Wembley Park Station have spare office capacity of approximately 300 sq. ft with car parking space available. - Telephone 01-902 0355.

OFFICE MACHINERY AND EQUIPMENT

1979/1980 FACSIMILE

TAX FORMS

NOW AVAILABLE

SHARPTHORNE PRESS

149 Stafford Road, Wallington, Surrey
 Tel. 01-647 9510

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

BUSINESS OPPORTUNITIES

READY MADE German GmbH company for sale. Avoid twelve months delay in forming new GmbH by buying off the shelf. - Details can be obtained from I.T.B.S. Ltd, 1a Dunkirk Lane, Leyland, Preston PR5 3BS.

SUCCESSFUL and well-established accountants (London, Croydon, Reading, Bournemouth) require mortgage of £30,000 to be secured on a commercial freehold property value £40,000. We offer 15% p.a. or may be paid by way of consultancy fees of £4,500 p.a. - Please telephone Miss Scott 01-993 1294.

CONDITIONS OF ACCEPTANCE OF CLASSIFIED ADVERTISEMENTS

1. The publishers cannot guarantee insertion on any specified date, but every effort is made to comply with advertisers' requirements.
2. The publishers will not be held liable for any loss occasioned by the failure of any advertisement to appear from any cause whatsoever.
3. The publishers will not accept responsibility for printing errors which may appear or for any consequences arising therefrom.
4. Box number addresses must not be used for the receipt of original documents, goods or payments of any kind, nor are they available for the distribution of circulars or canvassing matter. Any letter is liable to be opened for examination of its contents.
5. The right is reserved to refuse, cancel, suspend publication, or alter any advertisement which in the opinion of the publishers does not conform with recognized professional standards.

accountancy personnel

Agg. **TEMPORARY**

Calling all Managers, Seniors, Semi-Seniors, Intermediates and Juniors

TEMPORARY JOBS IN ALL AREAS.

TOP RATES OF PAY ONE WELL PAID JOB AFTER ANOTHER

64 George St,
 Croydon
 01-686 4686

63 Moorgate,
 London EC2
 01-628 9015

7 MacKenzie St,
 Slough
 Slough 35939

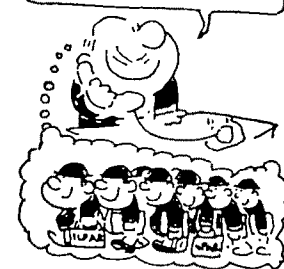
14 Gt. Castle St,
 Oxford Circus, W1
 01-580 2612

'AUDITORS ON THE PHONE FOR YOU MR. BICKERDYKE'



BUT I'M NOT READY! THE BOOKS AREN'T WRITTEN UP... COMING NEXT MONTH YOU SAY?

BUT WAIT A MINUTE GET ME ILPAR



NO QUALIFICATIONS THIS YEAR, MR BICKERDYKE. BOOKS IN APPLE PIE ORDER CONGRATULATIONS!

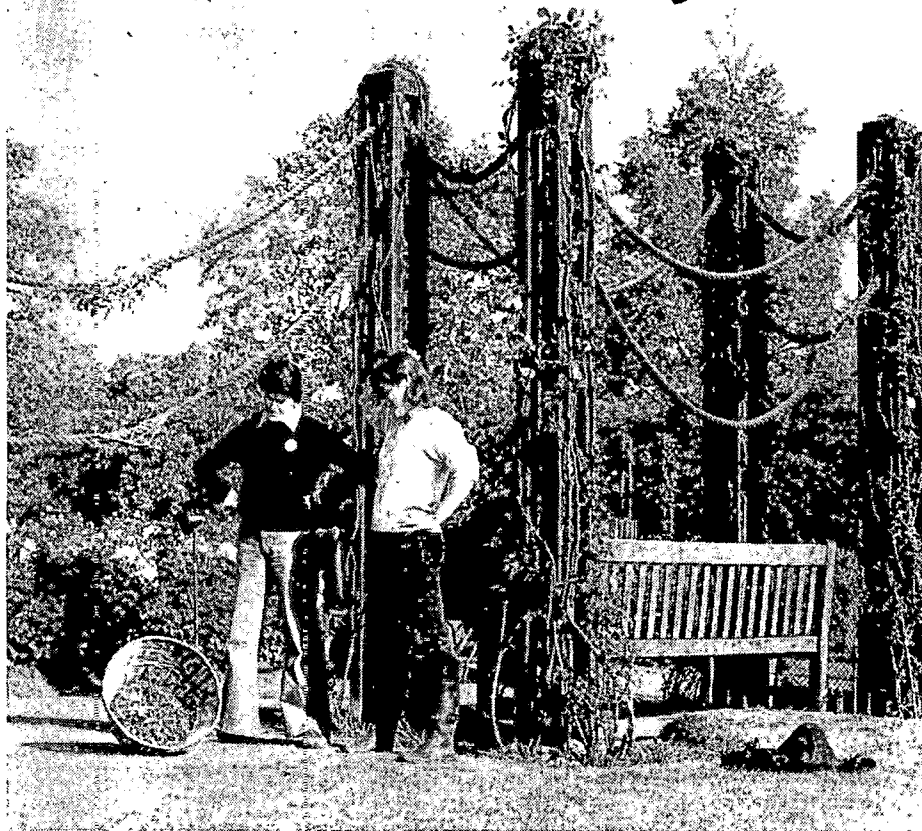


FOR YOUR TEMPORARY ACCOUNTING PROBLEMS RING 01-353 5624

ILPAR

ILP Accountancy Recruitment Limited
 4 New Bridge Street, London EC4V 6AA

confessions of an eccentric gardener



The trouble with buying a house is that you automatically acquire a garden. Having acquired a garden, you cannot just let it grow into a wilderness; you have to cultivate it.

The evolution from reluctant gardener to enthusiast is often a slow one. If only I had known then what I know now, I would have saved myself a good deal of money, which I could ill afford; and it is just possible that right from the start I would have produced a show of colour that would 'amaze the neighbours' – as the nurserymen's advertisements used to say. (Not that I have ever had any particular ambition to amaze the neighbours; my ideal garden has always been one which has an atmosphere of tranquility.)

Perhaps that is why, over the years, I have acquired such a love for the old-fashioned shrub roses. In my opinion, modern HTs and Floribundas should be relegated to the cutting garden, if there is room for such a thing in present-day

gardens. My objection to so many modern flowers, not only roses, is that they are too bright; I do not want a garden painted in poster colours. Bright coloured flowers should be used sparingly to provide contrast.

Another eccentricity of mine is that to me even the humbler easy-to-grow annuals give me more satisfaction if I have grown them myself from seed than all the exotic novelties offered as container-grown plants by some garden centres. I hope that after a quarter of a century of gardening I have progressed to a stage where I can grow some of the more difficult subjects from seed; even so, I still get a good deal of satisfaction from growing a border of hardy annuals.

This is what I should have been doing

when I first acquired a garden. If you want a lovely border next summer, choose one of your sunnier borders, dig it over and in the spring hoe and rake it over to a fine tilth, adding a little bonemeal or compost. Now divide the border into irregular areas and sow only one packet of seed in each area. Sow thinly and gradually thin out until eventually the plants are separated by a distance equivalent to about three-quarters of their eventual height.

Quite obviously you sow taller growing plants towards the back of the border and dwarfs at the front. You will improve the overall effect as seen from the house if you plant the tallest furthest away, so that you get a sort of two-way slope *along* the border as well as back to front.

A little luck

Apart from the candytuft, alyssum, calendula (marigolds), cornflower, godetia and so on that everyone knows, echiums, have a delightfully old-fashioned look and last for weeks. *Convolvulus 'Blue Flash'* – bright blue with a yellow centre – *eschscholtzia* and *limnanthus* are all desirable. For fragrance include *mignonette* and night scented stocks; these last are classed as half-hardy, but you can get away with treating them as hardy in southern Britain. With a little luck with the weather you will have a glorious display from about mid-June until the frosts.

Hardy annuals vary in height from a few inches to 2 or 3 feet. The only snag with them is that they seed themselves, however careful you are to deadhead them, and you will have them coming up for years afterwards unless you are ruthless and treat them as weeds.

Earlier, I said that I am very fond of the old-fashioned shrub roses. Of the very old roses which bloom only once, the albas are the easiest and seem to be almost immune from black spot, mildew and other diseases which afflict most roses.

The 18th-century *Celeste* is a 6 by 4 foot giant with abundant grey-green foliage smothered in soft pink flowers at midsummer. Plant it near the *Philadelphus Beauclerk*. Other lovely albas are *Belle Amour* coral pink and the white *Alba Semiplena* – reputed to be

Accountant at Leisure

the White Rose of York, while the Gallica rose *Officinalis* is the Red Rose of Lancaster.

To complete the historical trio, you need *York and Lancaster* which was named in 1551 (*R. Descena Versicolor*) which has blooms sometimes of white, sometimes pink, or with differently coloured petals. Unlike *Rosa Mundi*, which is also a 16th-century rose, *York and Lancaster* does not have crimson flowers striped with blush-white. *Rosa Mundi* is deservedly popular in modern gardens, being very spectacular; but it is not the rose associated with the Wars of the Roses.

Quatre Saisons is another rose worth growing for its history. Although the pink flowers are not of good quality, it will bloom from June until Christmas, and must have been a sensation when it was brought to this country by the Romans.

All other perpetual flowering roses are descended from the China Roses, which include those pretty dwarfs *Little White Pet* and *Perle D'Or* as well as *Viridiflora* – the green rose much loved by flower arrangers, but more a novelty than a beauty. Another group I am very fond of are the Japanese or 'Ramanas' with their rough/rich green deep-veined foliage which turns bright yellow in the autumn. They are perhaps an acquired taste but are magnificent shrubs in their own right. *Roseaie de l'Hay*, a double crimson-purple associated with *Alba* or *Blanc Double de Coubert* is a magnificent sight. The perfume carries half-way across the garden.

Inclination

Nevertheless, whenever the garden is large enough, my inclination is to treat roses as summer flowering shrubs and grow them with other shrubs, in particular azaleas, which bloom before the roses. The Japanese azaleas which bloom from mid-April to late May and the Mollis hybrids which start blooming in late April are especially useful. You need the room to group both azaleas and roses in at least threes, and you need a soil which is slightly acid but fairly rich.

That is the basis; you now need the infill to create contrast and interest. *Iris siberica* is a perfect foil for azaleas, while

the Kaempferi varieties can provide the blue which is missing in roses while their sword-like leaves give foliage contrast. Lilies planted between azaleas which grow with their lovely heads above the shrubs, blooming when the azaleas have finished, and will thrive in these conditions.

For interest in early spring, daffodils thrive between the roses which at this time of the year have not woken from their winter sleep, as do primroses. Another fine plant to provide ground cover amongst shrub roses is the geranium *Johnson's Blue* – not to be confused with pelargoniums which are erroneously called geraniums.

Richly scented

Now I would like to introduce you to the Bourbons – the beautiful perpetual flowering roses of Victorian gardens which are as richly scented as the old roses. Although most garden books today recommend you to treat them as shrubs, I like to grow them in a separate island bed. I am particularly fond of the 'three sisters' *La Reine Victoria*, *Mme Pierre Oger* and *Louise Odier*; all have pink flowers in the old form. Another favourite of mine is *Boule de Neige* with camellia-like white flowers. All will grow to 6 feet or more. Some are described as recurrent rather than perpetual, but I have found little difference. They can be hard pruned to provide a compact and very floriferous plant – although long shoots when pegged or tied down will flower along their entire length, which is even better. *Ferdinand Pichard* is a striped Bourbon with crimson strips on a pale pink background, a spectacular and unusual rose with rich scent.

Finally we come back to this country, and to the Edwardian era for the hybrid musks raised mostly by the Rev. Joseph Pemberton. Actually many of them did not appear until the twenties and thirties, but I always associate them with Edwardian England.

Hard pruned, they make a magnificent perpetual flowering hedge or bed. Of those I have grown, *Cornelia* is a coppery pink; *Danae*, less vigorous, is a creamy-yellow; *Felicia* is a two-tone silvery-pink, *Moonlight* creamy-white, *Nur Mahal* a lovely soft magenta and *Penelope* a creamy-pink. All are bunch

flowering like floribundas and most have a powerful scent. *Vanity* is one on its own, almost a single; it bears huge tresses in autumn in clear pink. It is very beautiful where three are planted close together, as the foliage is sparse. Treated in this way it makes a spectacular feature in a small bed on its own.

'Why should I pay £1.25 for shrub roses when I can get plenty of modern roses for 75p?' is a question I am frequently asked. In fact it costs less to plant a given area with shrub roses because you need fewer of them.

Readers who are themselves keen gardeners will have noticed that so far I have not mentioned the half-hardy annuals which form the main display in so many gardens. These are, I admit, some of the most spectacular flowers we can grow, but they do need starting under heat if you are going to raise them from seed. In these days of high fuel costs, this means buying a propagating frame; otherwise, if you sow them in a cold greenhouse or frame, they do not reach their best until late July or early August. For me, a few go a long way.

From seed

Petunias are useful for containers and grow well in dry places; fibrous rooted begonias are reliable, but not the easiest plants to grow from seed. Bedding dahlias are easy to grow from seed and give a brilliant show. The tubers can be lifted and replanted in subsequent seasons. Stocks have the advantage of being scented. Other gardeners have their favourites amongst the French and African Marigolds, antirrhinums, asters and many others of our summer bedding plants.

One reason I am not too keen on growing many half-hardy annuals is that they take up space in the propagating frame just when I need it for tomatoes, peppers and other adjuncts to the vegetable garden. However, when you are as keen on roses as I am, you have to admit that from October to late April your rose beds are not going to be very interesting, so you need to divert attention to other parts of the garden in spring.

A mixed shrubbery with a predominance of roses you can get away with by underplanting, including a few clumps of spring bulbs, but pre-

Accountant at Leisure

dominantly primroses and polyanthus, which look more natural in association with shrubs. They are not difficult from seed but germination is slow and erratic; seedlings often do not show until the following spring from seed sown the previous summer.

I prefer the smaller, earlier and daintier *Chrysanthus Crocus* to the more widely grown Dutch varieties. Most of the former spread freely and can be naturalised in grass, as can any of the more vigorous narcissi; these, along with tulips, are grown in every garden. If you want something a little different, try anemones *Apennina*, sky-blue, and *Blanda*; both ramble all over the place. Fritillaries are fascinating and the Meleagris varieties are quite hardy, useful for shady damp positions. Galanthus (snowdrops) are lovely when naturalised, but can be difficult to get started from dry corms; if you can, scrounge some from a friend and plant them as growing plants just after they have flowered. The same applies to

hardy cyclamen, although most are autumn flowering; *Repandum* comes out in April-May.

As readers will have gathered, I am not much in favour of the formal garden. To my way of thinking, a garden should look more like a piece of nature where everything has come together to create something very special rather than a well-laid-out balance sheet. Besides, a formal garden is difficult to keep looking at its best and a great deal of hard work; one plant out of place, or a poorly grown specimen, sticks out like a sore thumb. Always plant in drifts so that the individual plants are almost touching when fully grown; then a few plants which have not grown as vigorously as their neighbours do not matter.

Another bee in my bonnet is always to clothe any boundary fences, outbuildings and even the house itself. We do not use climbers nearly enough. For the best results train them more or less horizontally so that they fan out; never lead them straight up. This applies not

only to climbing roses but to most other climbers.

The exception is in training the more vigorous climbers into old trees. In this situation you can get them to run up the trunk and fall in a curtain of bloom and foliage. Clematis, particularly the more vigorous Montane and Viticella varieties; lorniceras (honeysuckles), musk rambler roses can all be treated in this way. However, musk ramblers are for large gardens; *Filipes Kiftsgate*, *Longiscuspi*, *Polyantha Grandiflora* and *Paul's Himalayan Rambler* will grow 20 feet or more. All bear large trusses of fragrant flowers, around midsummer.

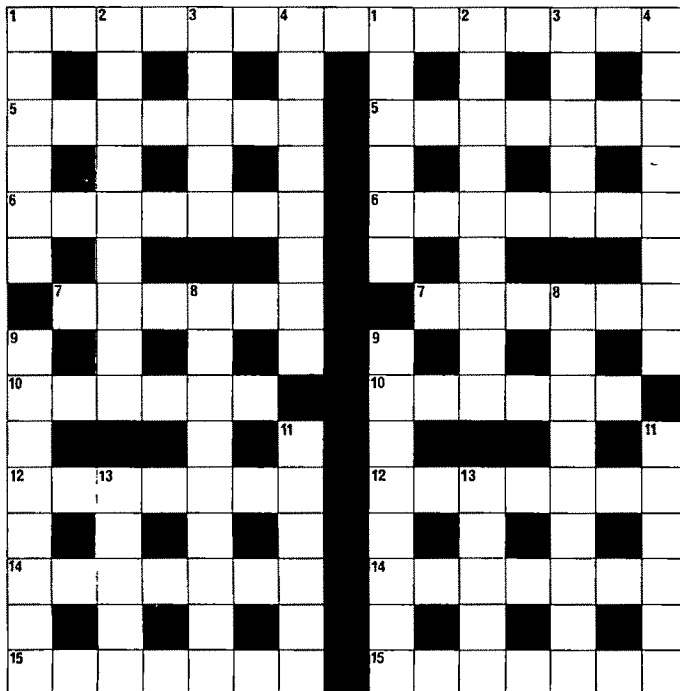
Nor do I think many gardeners make half enough use of variegated and coloured foliage; after all, the foliage is with us most of the year whereas most plants bloom for only a few weeks.

Whatever you grow, whether in half an acre or in a couple of window boxes, I hope you get as much pleasure from your gardening as I do.

'Left and Right'

compiled by KENNETH TRICKETT, FCA

Apart from 1 across, which is normal, each clue is really two clues, side by side but not overlapping, leading to two answers, one for the numbered space



on the left of the central column and one for that on the right; the solver has to discover which goes where. The division is not necessarily marked by punctuation, which may be misleading.

(The solution appears on page 652.)

Clues across

1. Graphs, such as this diagram? (5-4,6).
5. Excellent factor of production somehow makes it an error (7:7).
6. Taxed, cut out a decent arrangement established by law (7:7).
7. Note case allowed by retrograde law better than even additional issue (6:4,2).
10. Thoroughly unprofessional expenditure by user upset purchasers (6:6).
12. Trade in unusual craft if they grant leases, 161 being required for completion (7:7).
14. Hard up without silver commission, improvised one old map for a document of qualification (7:7).
15. Different rate set for levy, another rise expected for the remainder (7:7).

Clues down

1. Previous edition endorsed to count the quantity in units (6:6).
2. Reversioner has broken next tape involving chartered farming manager on railway (9:9).
3. Sharpers contributing to think it essential to respond again with legislation (5:5).
4. Place little value on one appointment to ratify expenditure of pence in forwarding (8:8).
8. Commission for examination to detect bad coin; amended offer has gone without one tenure in which a number relax grip (9:9).
9. Having column ruled wrongly, conspirator liable to contract takes a graduate on board (8:8).
11. Agree to pay to approve property condition (6:6).
13. Approve notice to choose material for recording, taking a step out of line (5:5).

Planning for Recession

That extremely lively and efficient concern the Employers' Protection Insurance Services outlines in the editorial of the ninth edition of *Employers' Monitor* the essential points of a recession contingency plan. Such a plan, it is considered, is essential in view of the coming recession about which the only variable is the degree to which it will affect each individual business.

Recession contingency planning, EPISL's clients are told, is a four-step process:

- (1) Recognition of the start and degree of recession.
- (2) Determining its possible impact on your firm.
- (3) Developing a strategy to take compensating action.
- (4) Establishing key points at which action must be taken.

Various indicators, readers are told, will show that a recession is imminent or beginning to bite worldwide or in Europe and Britain alone. For example, there may be a downturn in the number or size of orders being placed. Higher-priced goods will suffer first.

As recession works, so will its impact on the firm become greater and the established indicators will show what that impact is. 'The vital thing is you react' and, 'survival being the keyword, the business must therefore be brought back into balance as quickly as possible'.

Cutting back

The advice continues: 'What activities can you cut out? Are there cheaper ways of doing the present tasks? Are you over-staffed in administration, production or, finally, sales?

'All areas must be examined and nothing should be regarded as sacrosanct. This is where the plan is so useful. By plotting out the reducing levels of business one can establish the trigger-points at which the various staffing levels or activities must be pruned.

'Remember also your stock inventory – can it be pruned? One other vital

ingredient is to maintain cash flow at a time when everyone is feeling the pinch. Do not forget also that other companies may be reacting to the same crisis in a different way. They may pare their prices; how are you going to react?

'Efficiency is the order of the day and overhead and operating costs must be trimmed wherever possible. Recessions do not last for ever, however, and, having survived through the use of RCP, gradually the sales level will increase again and you will be in an ideal position to take advantage of the opportunities that increasing demand create. Your competitors may, however, be struggling with the liquidator!'

Insider Inside?

One more try is being made at framing legislation concerning 'insider dealing'. The basic trouble is that while everyone knows full well what insider dealing is, not everyone knows how to deal with it. The City, through the Stock Exchange and the Take-over Panel's assertion that insider dealing should be made a criminal offence, put the onus for law framing on government. At the same time they continued to police the insider dealing situation in their own self-regulating way.

The Stock Exchange and Take-over Panel know insider dealing when they see it, and the usual form is for the culprit to be censured (which in the City means more than it does in most other places) and for the profit made to be given to an acceptable charity.

That system works to the satisfaction of the City to a major if not total degree. The degree is not total because the City wants to outlaw insider dealing and to make it abundantly clear to people outside the City that such is indeed the case. Hence the City's call for insider dealing to be made a criminal offence.

But there has been a certain amount of 'own petard-hoisting' since the City,

All racy stuff and, of course, nothing more nor less than a good accountant would advise. But it reaches over 5,000 firms that now take EPISL's services.

How deep will run the recession that EPISL – and not EPISL alone – accepts as fact? In London stockbrokers Rowe & Pitman's latest survey Mr Walter Eltis asks the question and inevitably has to say that it 'all depends'.

There are two vital questions about the British economy, he considers. First, can exporters live with the present exchange rate and present unit wage costs, let alone the still higher ones which will soon need to be paid? Secondly, will those in the unions who wish to preserve their jobs obtain any ascendancy over those who wish to increase real living standards over the next year?

The defence of export competitiveness requires a measure of moderation. Will it

having acknowledged that there is such a thing as insider dealing, has given at least part of the debating floor to the inevitable left extremists who insist that the City is riddled with insiders who do nothing else but deal in a criminally offensive way and insist that only something just short of the death penalty is in order as punishment.

So the Department of Trade comes up with another consultative document containing 'new legislative proposals which take into account the weaknesses apparent in the previous versions and which consequently seek to identify and proscribe conduct which is widely condemned without inhibiting conduct which is legitimate or indeed desirable'.

On the Stock Exchange at present the matter of law on insider dealings is secondary in importance to the fact that the new Government has affirmed the previous Government's decision that the Stock Exchange Rules and Regulations should be put before the Restrictive Practices Court. That Court is considered 'inappropriate for the study of the regulatory requirements of a growing securities market', by Mr Nicholas Goodison, the Stock Exchange's chairman.

be forthcoming and will the new industrial legislation be helpful or a hindrance to moderation in the short term, however helpful it may be in the longer run?

'The question is', Mr Eltis writes, 'will Britain need a long recession with severe unemployment to choke inflationary expectations out of the economy? Alternatively, might the country find an easier road with only a modest recession lasting just one or two years before conditions can be allowed to recover? With wage moderation next year, the recession might not be too severe.'

Fraught situation

Mr Eltis's conclusion was that 'the situation in the labour market is so fraught that there is not a strong case for expecting a significant rise in either the equity or the gilt-edged market. Good industrial news and good trade news might begin to change the picture, but many will expect much of the news on wages to be bad over the next few months at any rate.'

That view was expressed before the entire lifting of exchange controls, a move which had the effect of depressing sterling and also the gilt-edged market. And another firm of stockbrokers, Savory Milln, were much nearer the market judgement mark in viewing gilt-edged market prospects with disquiet because they considered that the Government's policy of monetarism is not enough to keep the economy under control.

Monetarism, the brokers assert, will not work in a mixed economy where a battery of state benefits gives strikers greater staying power than employers. Money supply will expand to accommodate higher wages if they are conceded or the enlarged public sector borrowing requirement if the employer 'goes bust' or reduces his labour force.

The brokers doubt whether public sector cash limits will prevent higher wage bills being met.

Government's gaffe

Following the Government's recent gaffe over wage rates in relation to the rate of increase in retail prices, the brokers see the rate of increase in earnings 'getting very close to 20 per cent', and they con-

sider 'this means an inflation rate from wages alone of at least 12 to 14 per cent, apart from other factors adding to the rise in retail prices such as food, fuel, rates etc'.

Seemingly, any real reduction in the PSBR becomes increasingly remote, and so the stockbrokers concluded that 'all in all it looks as if the gilt-edged market is doomed to perpetual disappoint-

ment, no matter which party is in power'.

Certainly the complete lifting of foreign exchange controls must make sterling and Minimum Lending Rate not only more volatile but more closely linked to movements in the dollar and in United States interest rates. Prime rates in the United States are forecast to rise to at least 16½ per cent in the first quarter of next year.

Led by the Hand

It is surprising to find in an *Investors Guide to the Stockmarket**, a plea for less simplification of company accounts. But Mr Gordon Cummings, FCA, an eminent commentator on money matters, even in his retirement, has been urged to write his book devoted entirely to stock exchange investment.

In his preface he admits to preferences (the way investment in natural resources has 'done him proud') and also prejudices of which 'One is the sad and deplorable deterioration in the presentation of financial figures by so many companies. Simplification has been so overdone that shareholders have less clues than ever of the annual financial outcome. This is a field where a step backwards would be a major move forwards. For heaven's sake let us get back to the old "left and right" accounts with all key figures seen in clear-cut detail'.

Like a book

Which is all very well, if, like Mr Cummings, you are a chartered accountant of the class of 1928 and were brought up on 'left and right' accounts and could profess to read a balance sheet like a book even though the Companies Acts of the time allowed companies to get away with informatory murder.

This column in its time has consistently advocated straight figures and plain words in the presentation of company accounts but surely the presentation of company figures and the workings of company finance have progressed beyond the stage of remem-

bering that 'The assets are nearest the window'.

In the section of the book devoted to the reading of company accounts there is an example of a company balance sheet not on a right and left but a top and bottom basis with 'employment of capital' balanced by 'capital employed' and Mr Cummings writes that 'the bottom half of the balance sheet shows how the group is financed'.

But this section of the book goes on to dwell on the reading of such matters as the 'Group Five Year Record', 'Source and application of funds' and 'Statement of value added'. The commentary on these is certainly instructive and acknowledges the benefit of the information provided and the need for it especially in the matter of borrowings and their periods of repayment. 'The straightforward and most informative way is to set out the gross figures in the balance sheet'. Mr Cummings writes, 'The balance sheet, or a clear cut note should also give the totals of all short- and long period debt repayable annually for up to at least five years ahead and in five-year stages thereafter. Such details can throw up surprising, even alarming, results'.

Some 'Source and application of funds' statements 'are clear-cut and easy to follow, with income items separated from capital transactions' but many are jumbled up without the income/capital distinctions needed to show how a company has used (a) self-finance; and (b) outside capital for expansion'.

The Statement of Value Added, is described as having 'some political significance' but 'is not as yet widely used'.

On current cost accounting, Mr Cummings writes, 'considerable discussion, argument and heat have developed

**Investors Guide to the Stock Market*, by Gordon Cummings. Published by Financial Times Business Publishing.

Financial Accountant

as accountants have come up with treatment methods. Many hairs have been split over esoteric accounting points. But it is an inescapable fact that sooner or later it will be compulsory for all companies to produce CCA as well as historic cost accounts'.

Until realistic, workable and generally adoptable standards are hammered out, depreciation and cost of sales adjustment are the two CCA adjustments that 'really matter'.

On the matter of the auditors report, Mr Cummings refers to the two kinds of 'qualification': one being the difference of opinion on the treatment of particular items in the accounts and the other being much more serious and 'too often a warning that there is trouble ahead'.

After providing instances of qualifications, Mr Cummings writes that 'It is a fact that penal libel laws can inhibit or kill an auditors' adverse expression of opinion. But if there is something which clearly calls for attention, a warning signal, however, it may have to be "hedged", should not be beyond legal ingenuity. There have been too many scandals where the door has not been bolted before the horse got away with the loot or misdemeanour.'

Features and figures

Investors are advised to pay special attention to the following features and figures in company reports and accounts:

- + Auditors report.
- + Are accounts prepared on consistent bases year by year.
- + Trend of turnover, pre-tax profits, earnings per share, dividends and net asset values over five years or more.
- + Are turnover and profits rising faster than inflation?
- + What do the profits look like on a CCA basis?
- + Priority percentages (or cover) for servicing loan preference and equity capital.
- + Proportion of capitalisation provided by (a) debentures and loan stocks; (b) preference shares; and (c) equity. Is (a) high or low in relation to (b) and (c)? What is the gearing of (a) and (b) to (c)?
- + Total short-term borrowings repayable within five years.
- + Bank and other short-term borrowings 'hidden' in current liabilities note.
- + Amount of foreign currency borrowing and how matched by foreign assets.
- + Liquid position. Are cash and marketable investments more or less than short-term borrowings?
- + Total of capital and other commitments.
- + Is the liquid position so tight that new loan or share capital will have to be raised?
- + Read all notes to accounts.
- + Study the figureheads as well as the figures. Good financial facts should be backed up by first-class and forward-looking management.

And all of that emphasises the thoroughness of Mr Cummings' book which insists that contrary to a widely held view there is no mystique about 'stock exchange investment'. He takes more than 100 pages to prove that contention.

He considers, though, that there is no true investment 'such as our grandparents knew'. Everything 'is a speculation resulting mainly from inflation, inept government and economic disruptions. The key to the successful deployment of capital is therefore flexibility or moving from one market or group of securities to another when the storm signals seem to be looming'.

And that is where the market 'nose' comes in and where Mr Cummings chapter on 'The changing market' is essential reading.

After all stock market investment is like swimming: all the books on earth about swimming are of little use if the reader doesn't go into the water. All the reading on the stock market can only be a prelude to going into the market and buying a share, and taking it from there.

Less detailed than Mr Cummings' book is the Fourth Edition of the *Guide to Sound Investment***, by Mr W. Fraser Elgin, CA, with the subtitle of 'Stocks and Shares simply explained'.

In the foreword, Mr Nicholas Goodison, chairman of the Stock Exchange, writes 'Stock market investment is not difficult, providing the right signposts are followed and the saver

knows the right road to take'. And that, of course, is entirely correct, but it is easily written or said by someone who is chairman of the Stock Exchange and a stockbroker by profession.

Experts always make their art or craft look absurdly simple. But the layman, however purposeful and eager, will not find investment easy because, for all the expert explanation by investment specialists, there is an art about investment in the stock market that only experience teaches.

Mr Fraser Elgin has a lifetime of experience in investment management and it is well that he should pass on some of his knowledge. It is well also that a new generation of investors should be encouraged to develop in a changing investment climate.

Sick Pay Schemes

Sedgwick Forbes Employee Benefit Consultants Ltd have said that, when they first drew the attention of their larger clients to the advantages of insured short-term sick pay schemes, surprisingly little interest was shown, bearing in mind the cost savings which could be achieved. Lately, the subject has aroused much more interest.

Continuing pay, wholly or in part, during absence for sickness involves the employee in paying income tax; and both employee and the employer pay national insurance contributions. Benefits from an insurance policy, however, do not attract national insurance contributions; and they are taxable only after benefits have been received for a complete fiscal year. Through an insured scheme, therefore, an employer can provide employees with the same net income during absence, saving tax and national insurance – amounting to 25 per cent, or more, of the total payments.

Sedgwick Forbes suggest that the adoption of a short-term sick pay scheme will be more readily accepted if the employees are not just no worse off, but are better off. A modest improvement in sick pay treatment – for example in the number of weeks covered – might well be prudent. It may seem as though the advantages accrue mainly to the employer, and also the freedom from national insurance contributions could

***Guide to Sound Investment*, by W. Fraser Elgin. Published by Jordan & Sons, £3.

conceivably result, in the long run, in reduced State earnings-related benefits for an employee.

There is a difficult problem in relation to tax rebates which will arise under the PAYE system as a result of the employee ceasing to be on payroll. During any period for which the sick pay is at a full net pay rate, failure to take tax rebates

into account will result in the employee being better off in net terms during absence, which, clearly, is undesirable.

On the other hand, taking account of tax rebates which may be received only after a time lag may result in the employee receiving a lower immediate net income; many employers find that equally unacceptable.

Dutch Issue Sets Pace

Start of dealings in the shares of the Dutch company Vitratron N.V. on the London Stock Exchange was something more than yet another overseas share quotation.

Vitratron is the first company of a fellow EEC country to apply for a UK listing and raise additional equity capital without first having a quotation on its own domestic exchange. It is also the first EEC application since the abandonment of the UK investment currency premium in respect of such shares.

Vitratron is a leading European manufacturer of heart pacemakers and clinical laboratory instruments. The company's new share issue was brought to the market by Grindlay Brandts. The share placing totalled DFIs 6.7 million and represented 19.4 per cent of Vitratron's capital. It consisted of 890,000 ordinary shares at a price of DFIs 7.50 (equivalent to 175p a share) payable directly in Dutch currency. The operation raised DFIs 6 million of new equity for the company and DFIs 675,000 for the founder and continuing majority shareholder Mr A. H. Eikmans.

Brokers to the issue were the recently merged Carr, Seabag & Co. Mr Douglas Meekins, Head of Corporate Finance at Grindlay Brandts said the bank was 'delighted to be able to bring this new issue to the London Stock Exchange' which it was believed would 'perhaps highlight the greater size and placing power of our stock market over those of the fellow members of the EEC' and 'might be the first of other such issues.'

With the home new issue market in a long period of hibernation the London Stock Exchange is setting considerable

store by its position as the major securities market in the EEC. Therefore the capture of Vitratron N.V. as a raiser of funds and as a direct first time quotation seeker is considered something more than a step in the required direction.

It is a decided and considerable breakthrough in the translation of the Stock Exchange's claim to pre-eminence in the EEC into an accepted fact. The London market's ability to arrange and absorb this kind of operation may be ordinarily accepted in London itself but it may well impress opinion on the Continent of Europe.

It is also a considerable achievement for Grindlay Brandts a merchant bank that suffered during the 1974-75 crisis but has since been considerably and successfully reshaped.

Personal Pension Topping-up

Scottish Widow's Fund and Life Assurance Society has introduced a single premium personal contract on a profit-sharing basis. Any self-employed person who has an annual premium profit-sharing personal pension contract with the Society can now top this up by paying additional single premiums, provided the single premium paid in any calendar year does not exceed twice the annual premium.

The new contract will share in profits in the normal way. The last declared rate of reversionary bonus for profit-sharing contracts in the pension fund was £3.50 per cent per annum, compounding triennially.

House Purchase Improvements

The Scottish Provident Institution has introduced lower basic sums assured and premium rates for its low cost endowment contract. The rates for this contract, used primarily for house purchase purposes, already were competitive. Following the increase in interim bonus announced earlier in the year, the amount of bonus discounted has been increased to £3.88 per cent, representing 80 per cent of the latest interim bonus rate of £4.85 per cent.

Another improvement to the contract is that all such policies issued to first-class lives under the age of 50 now contain adaptable mortgage options. Previously, such an option could be added, on payment of additional premium. Now, the options are being incorporated free of charge.

The options cater for the common situation where the life assured moves to a larger property or improves an existing property, with the result that a fresh mortgage is obtained for a larger amount – and, possibly, with a later repayment date.

If the new mortgage is for a larger amount than the old, additional endowment assurance can be arranged. Should the repayment date of the new mortgage be later than that of the old mortgage, the term of the existing policy may be extended. In both cases, no evidence of health will be required when the options are exercised. One of the conditions is that options must be exercised before the life assured's 50th birthday, and the maturity date of any additional or extended policy must not be later than the new repayment date of the mortgage, and before the age of 65. Any option may be exercised only if the original policy is in full force and has at least five years to run to maturity.

Directors' Pensions

Hambro Life Assurance Ltd has looked carefully at the competition which its Executive Pension Plan (for controlling directors and senior executives) has been facing from those promoting 'self-administered' schemes for directors of private companies. Its feeling has been

that one of the most common reasons for setting up such a scheme has been to allow the pension fund to lend money back to the company. It has, therefore, introduced an optional facility into its own contract, whereby, if required, a self-administered element can be set up, the trustees can borrow from Hambro Life against the security of pension moneys in a fixed interest fund, and can lend this capital back to the company at a commercial rate of interest.

One of the features about the facility is that it is not necessary to decide at the outset whether the loan facility is required. When the moment arises, the documentation can be 'bolted on' to a contract, and the loan can be granted to the trustees, subject to the conditions of the Superannuation Funds Office and Hambro Life at the time.

Hambro Life's pension funds now exceed £250 million. The Pension Managed and Pension Property Fund, both of which started in May 1971, have shown an equivalent annualised growth rate of over 15 per cent per annum since they were launched.

Guaranteed Income Bond

Albany Life Assurance Co Ltd has introduced a guaranteed income endowment bond, providing an income of 10 per cent per annum, net of tax, for a standard rate taxpayer. Unlike some income bonds, the contract does not rely on life assurance premium relief for its effectiveness. Thus the amount which an individual can invest in this type of arrangement is not restricted according to premium paid to other life policies.

The contract is simply a single premium four-year endowment policy, with half-yearly additions to the sum assured. Income is provided by the automatic encashment of these additions under a guaranteed income facility. At the end of the four-year period, or in the event of earlier death, the amount of the initial investment will be repaid in full, plus any unencashed guaranteed addition. The contract may not be surrendered before the end of the four-year term.

For those paying tax at no more than the standard rate, there will be no further tax liability. Higher rate taxpayers

and/or those paying investment income surcharge, however, will be subject to a tax charge. For instance, income of 5 per cent per annum will be taxed in the year in which it arises, with taxation in respect of the other 5 per cent being deferred until maturity. 'Top slicing'

relief is then applied, whereby the untaxed investment profit is divided by the number of years for which the plan was in force, with the resulting amount being added to the policyholder's income in that year to determine the rate of tax to be applied.

Shopping Forecast

Researchers in Hillier Park May & Rowden, who have been accurate in their forecasting of the rise in shop rents in the past, are projecting a continuing but slowing rise in the future.

Hillier Parker's forecast of shop rents issued in October 1978 has so far proved to be correct. The November 1978 projection was for rents to lie in the 154-160 index range while the actual figure was 156, having stood at 145 in May 1978. For May 1979, the forecast was within the 160-170 range and the actual figure was 164.

Since October 1978, the forecasting of shop rents has been developed in two ways. The equation has been extended to include a trigonometric weighting which has greatly improve the fit between the expected level of rent, produced by the equation, and the actual evidence.

Previously, the forecast was made in terms of constant prices - ie, adjusted for inflation. But in the latest forecast, an additional prediction is made for shop rents in current prices.

At present they are based on the latest published projections for retail sales, which suggest a continuing but slowing rise in both volume and value.

Because of the possibility of recession in the near future, the researchers have included a lower forecast based on the assumption that the volume of retail

sales will fall in the next two years at the same rate as in 1974-76 and that the value of retail sales will grow at the same rate as over 1970-72, the slowest three-year period in the 1970s.

Continued growth

As a result of the forecast, shop rents are expected to continue to grow, but at a slower rate than over the past 18 months. Rents, adjusted for inflation, should also rise, again only moderately up to 1980 and then slowly decline. Rents are expected to move to a position between the lower forecast and the forecast based on current projections of retail sales that the researchers have called the upper forecast. A summary of the results is shown below.

Hillier Parker comment that to date the shops index has fallen almost mid-way between the lower and upper forecasts, slightly favouring the former. The production of a best estimate of a 22 per cent increase from May 1978 to 1980 would still appear realistic and could be achieved even if the rate of growth over the next year slows down by a further 3 per cent. And a real increase in shop rents of 22 per cent in the two years to 1980 may turn out to be cautious if inflation is brought under control during 1980.

SHOP RENT FORECAST

(percentage change on previous reading expressed in annual terms)

<i>Actual</i>	<i>Shop rents</i>		<i>Rents adjusted for inflation</i>	
1977 May	+24		+13	
1978 November	+25		+17	
1979 May	+27		+11	
<i>Forecast</i>	<i>Lower</i>	<i>Upper</i>	<i>Lower</i>	<i>Upper</i>
1979 November	+ 9	+13	+5	+7
1980 May	+10	+14	+1	+5
1980 November	+ 7	+12	-5	-3
1981 Average	+ 5	+ 7	-7	-2

FOR INVESTMENT THEN MORTGAGE

THE City of London

BUILDING SOCIETY

- BIG ENOUGH IN SIZE TO COMMAND TRUST.
- STRONG ENOUGH IN PERSONALITY TO GIVE INDIVIDUAL ATTENTION.
- LARGE ENOUGH IN HEART TO TREAT MEMBERS FAIRLY AND WITH PARTICULAR CONSIDERATION.

THE CITY OF LONDON BUILDING SOCIETY

34 London Wall, London EC2Y 5JD. Tel: 01-606 2525/01-588 0114
Ncverre House, Theatre Street, Norwich NR2 1RG. Tel: 0603 29833
33/35 Queen Square, Bristol BS1 4LU. Tel: 0272 290981
6 Brewer Street, Oxford OX1 1QN. Tel: 0865 45800

Member of the Building Societies Association (Assets exceed £70 million)
Shares and Deposits in the Society enjoy Trustee Status

HAVE YOU CLIENTS EMIGRATING?

U.K. Exchange Control regulations affecting the potential emigrant are an essential part of our business. Careful financial planning, before and after redesignation, is of equal importance to the client, and Hambros in Guernsey provide a full range of services utilising the Islands unique situation.

Please write for further information to:-
Mr. A.G. Taylor, Director.

HAMBROS BANK (GUERNSEY) LIMITED

P.O. Box 6, St. Peter Port,
Guernsey, Channel Islands.
Telephone: 0481 26521

INTERNATIONAL BANKERS

Copies of the latest balance sheet and accounts are available upon request.



ATLANTIC ASSETS TRUST LIMITED



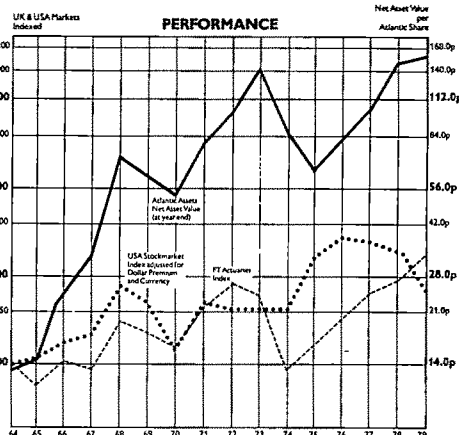
The annual report for 1979 which has just been published can be obtained from Ivory & Sime Ltd. at the address below:

Ivory & Sime Limited, Investment Managers,
One Charlotte Square, Edinburgh EH2 4DZ.



J. V. Sheffield, Chairman,
Atlantic Assets Trust Limited

Atlantic's investment objective is the long term growth of capital. The portfolio is balanced equally between significant minority positions in special situations and investments in more orthodox growth companies. At the end of September the net asset value per share was 187p.



The chart above gives the changes in net asset value over the period that Atlantic has been a quoted public Company and demonstrates the performance against the U.K. and U.S.A. stock markets.

Two NEW Study Books

COMPANY LAW STUDY BOOK

by T. Martyn, LLB, Barrister at Law

This book has been specially written to help students taking Company Law in the examinations of the various professional bodies. The author, who has long experience in teaching for the examinations, provides an understanding of company law in a concise and readable form. The eight chapters cover the legal basis of the company and its significance today – the formation of a company – the personnel involved – financial aspects – records and accounts – procedure at meetings – reconstruction and amalgamation – winding up.

UNDERSTANDING ACCOUNTS

by F. A. J. Couldery, FCA, FCCA, FCIS

Unlike the majority of introductory books on accounts, this useful study book starts with balance sheets, proceeds to profit and loss accounts, and then examines the areas of practical importance – fundamental accounting concepts, cash flow and funds flow statements, depreciation, accounting ratios, valuation methods. There are numerous diagrams and illustrations, and a second colour is carried through the book to good effect, highlighting the important features. Overdrafts appear in red figures, and the accounting ratios stand out as relevant comparisons on facsimile balance sheets and profit and loss accounts. The visual impact is quite unlike any other book in its field: each topic is illustrated as it is discussed. To the newcomer to accountancy, that must be a powerful aid to memory. The book contains many questions and fully worked answers to illustrate the application of the principles discussed.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.**

Please send copy/copies of
COMPANY LAW STUDY BOOK
at £2.50 plus 30p postage (airmail £1.25)
and please send copy/copies of
UNDERSTANDING ACCOUNTS
at £3.50 plus 30p postage (airmail £1.25)

Remittance enclosed £

Name

Address

.....

A

Qualifications? Let the experts help you to success

The School of Accountancy have been specialising in preparing candidates for examinations for 65 years. You can benefit from this wealth of experience – either to make sure of success in ACA Exams if you are a student – or to add a second string to your bow if you have already qualified.

ACA Examinations

We are in a unique position to give you the best help available. You will enter your examinations completely prepared and confident of adding to the 30,000 Chartered Accountants that SOA has helped to success.

Institute of Accounting Staff Examinations

We have courses available now for this important new qualification – sponsored by the Association of Certified Accountants for junior and technician staff in offices of practising accountants, commerce, industry or government.

Further Qualifications

A second qualification to add to your ACA will give you even better career prospects. SOA offers highly successful courses for all leading examinations, including ACMA, ACCA, etc.

An ATII will be of great benefit if your special interest is taxation – but the examination of the Institute of Taxation sets a demanding standard. SOA students consistently score success thanks to the clear, comprehensive and up-to-date course material.

Your SOA Course

Whichever course suits your objectives, you will receive personal tuition from experts – backed by concise material which is clearly presented and easy to assimilate. You will be able to study at home – at whatever time and pace suits you best. And you will be on your way to success – like thousands of other SOA students!

POST THE COUPON TODAY FOR FULL DETAILS



**The School of Accountancy
& Business Studies** EST. 1910

The School of Accountancy & Business Studies,
Dept N754 or Dept N754
Intertext House, Intertext House,
Stewarts Road, 341 Argyle Street,
London SW8 4UJ. Glasgow G2 8LW.
Tel. 01-622 9911. Tel. 041-221 2926
or Dept N754 Fox House 37 College Green Dublin Tel 712454
Please send me full details, without obligation, about your courses for:

Name

Address

Accredited by the Council for the Accreditation of Correspondence Colleges.
Member of the Association of British Correspondence Colleges.

City Notes

Price of Freedom

By a decidedly painful process, the City has made its adjustments to currency freedom. Not for the first time has it found the price of freedom high and the responsibility of it heavy.

There is, of course, something more to the changed situation than the saving of £14.5 million Government costs of applying currency controls. There is in the move to freedom a recognition that realism must be part and parcel of economic policy.

It is certainly not accident and not by any means mere coincidence that the announcement of the decision to free sterling from all controls came so soon after the Bankers' Dinner at the Mansion House. Those connoisseurs of Bankers' Dinner speeches were not at fault in their judgement that *rapprochement* between Chancellor of the Exchequer and Governor of the Bank of England was complete.

The statements by Chancellor and Governor and the lifting of exchange controls are now being viewed in the City as the beginnings of the long policy road towards the goal of true single-figure inflation and not merely a decimal point under ten.

It is now accepted that the heady view immediately after the general election that some magic anti-inflationary wand would be waved by the end of 1979 was false. Getting the economy back to a truly acceptable rate of inflation is going to take considerably longer than the political optimists expected.

MLR is going to stay at 14 per cent for the rest of this year in all probability and may well stay at that level well into the first quarter of next year. The gilt-edged market has been adjusted downwards on to a 14 per cent MLR basis and is unlikely to move off it in the three months short run.

For one thing sterling, despite its petro-currency status, may not stay, indeed has not stayed, strong and, for another, US interest rates are going to continue to rise. The dollar is likely to

strengthen and international funds may move to it and away from gold.

There is much talk of institutional investment funds moving away from the UK investment market and into international securities. There are wild stories of £60 million worth of dollars having been bought institutionally for that purpose in one day. But the dealing capacity of the London market and the availability of equity supply will still pull in institutional and also international funds to London and to UK equities. But that may take time.

Cynically it is said that following the abolition of exchange controls all ways of losing money are now open to British investors. Presently, investors are like an old lag let out of gaol, told he can do any-

thing and not knowing what there is to do.

Initially, freedom tends to induce excess. Trade union wage demands confirm that contention, but the cost of freedom comes later and in free market conditions the cost becomes conspicuous.

The present Government is only now beginning to subject the economy to the disciplinary forces of freedom. The process of teaching by responsibility is slow, but through the Mansion House speeches and in the abolition of all foreign exchange controls the City is being obliged to appreciate that the Government, in full co-operation with the Bank of England, has made a determined start.

Rates and Prices

Closing prices, Monday, October 29th, 1979

Bank of England Minimum Lending Rate						Money Rates						
May 5, 1978	..	8½ %	Feb 8, 1979	..	14 %	Day to day	13½-14 %	<i>Bank Bills</i>				
May 12, 1978	..	9 %	Mar 1, 1979	..	13 %	7 days	13½-13¾ %	2 months			14½-14¾ %	
June 8, 1978	..	10 %	April 5, 1979	..	12 %	<i>Trade Bills</i>		3 months			14½ %	
Nov 9, 1978	..	12½ %	June 12, 1979	..	14 %	1 month	14½ %	4 months			14½-14¾ %	
						2 months	14¾ %	6 months			13½-13¾ %	
						3 months	14¾ %					
Finance House Base Rate												
October 1st, 1979, 14½ %												
Certificates of Tax Deposit						<i>Three Months' Rates</i>						
August 3rd, 1979:						Local authority deposits		..	..	14½-14¾ %		
interest on payment of tax 14 % + 0 % per annum						Local authority bonds		..	..	14¾-14¾ %		
withdrawn for cash 11 %						Sterling deposit certificates		..	..	14½-14¾ %		
						Euro-sterling deposits		..	..	14¾-15½ %		
FT Industrial Ordinary Index						Euro-dollar deposits		..	..	15½-15¾ %		
October 29th, 1979, 446.8						Inter-bank rate		..	..	14½-14¾ %		
Treasury Bills						Foreign Exchanges						
Aug 24	..	£13.3093 %	Sept 28	..	£13.3638 %	New York	..	2.0960	Frankfurt	..	3.8000	
Aug 31	..	£13.3397 %	Oct 5	..	£13.3244 %	Montreal	..	2.4790	Milan	..	1748.50	
Sept 7	..	£13.3485 %	Oct 12	..	£13.3615 %	Amsterdam	..	4.2225	Oslo	..	10.5550	
Sept 14	..	£13.4027 %	Oct 19	..	£13.3646 %	Brussels	..	61.2500	Paris	..	8.8800	
Sept 21	..	£13.4131 %	Oct 26	..	£13.4713 %	Copenhagen	..	11.1700	Zürich	..	3.5250	
Gilt-edged												
Consols 4 %	..	..	..	..	32½	Treasury 13½ % 1997	..	..	..	..	102	
Consols 2½ %	..	..	..	..	22½	Treasury 9½ % 1999	..	..	..	..	79½	
Conversion 3½ %	..	..	..	..	35½	Treasury 9 % 1994	..	..	..	..	75½	
Funding 3½ % 99-04	..	..	..	..	38½	Treasury 8½ % 84-86	..	..	..	..	88½	
Funding 5½ % 78-80	..	..	..	..	95½	Treasury 8½ % 87-90	..	..	..	..	80	
Funding 5½ % 82-84	..	..	..	..	81½	Treasury 3½ % 77-80	..	..	..	..	94¾	
Funding 5½ % 87-91	..	..	..	..	65½	Treasury 3½ % 79-81	..	..	..	..	92	
Funding 6 % 1993	..	..	..	..	62	Treasury 5 % 86-89	..	..	..	..	66½	
Funding 6½ % 85-87	..	..	..	..	77½	Treasury 5½ % 08-12	..	..	..	..	47¾	
Treasury 13 % 1990	..	..	..	..	101½	Treasury 2½ %	..	..	..	..	20½	
Treasury 12½ % 1993	..	..	..	..	97½	War Loan 3½ %	..	..	..	..	29¾	
Retail Price Index (Jan 1974=100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2			
Tax and Price Index (Jan 1978 = 100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2			

The Cost of Opportunity

by BRYAN HOLMES, Senior Lecturer
Derby Lonsdale College of Higher Education

Usually when economists speak of 'cost' they are referring to opportunity cost. This concept (and its associated notion of 'economic profit') confuses some student accountants while alienating others. This is because accountants almost always measure costs as the direct monetary expenses involved in an activity.

In calculating the costs of the same activity, the accountant and economist are likely to come up with two very different results. The student may be forgiven for concluding very quickly that 'accounting profit' is common-sense and for dismissing 'economic profit' as theoretical and useless. This is unfortunate, because opportunity cost is not only crucial to the study of economics but central to any decision, be it economic or otherwise.

The following simple example is offered for beginning students in the hope that in understanding it the student will have a base on which his further understanding will grow.

To begin with, opportunity cost must be seen as an aid to making decisions. It may be defined as 'the value of the opportunity sacrificed, or the benefit foregone, as a result of not employing something in its best alternative use'. Note the emphasis on *benefit*; a common fault of students is to define or explain it using the word cost. For the purposes of defining, forget cost!

Opportunity cost is to do with return. In other words, the opportunity cost of a given resource is the highest return that resource can earn in any other application, it is the potential earnings that owners forfeit by tying up their resources in a particular activity.

Simple example

Consider the following example: we buy a used motor-car for £500 with the intention of reselling it quickly. We have three sure offers from A, B and C of £1,000, £900 and £600 respectively. The accounting profits in each case will be

£500, £400 and £100 and obviously, if we are concerned only with monetary return, we will sell to A. In selling to A, the best return we are foregoing is £400 from sale to B, and this is the decision's 'opportunity cost'. In selling to B or C we are foregoing the £500 from A in both cases, and this is their opportunity cost. This is summarised:

	A	B	C
	£	£	£
1. Initial cost	500	500	500
2. Return	1,000	900	600
3. Accounting profit (2-1)	500	400	100
4. Opportunity cost	400	500	500

The example is completed by calculating economic profit (sometimes called real profit). This is defined as being equal to net earnings, in the ordinary sense, minus the opportunity cost of the firm's resources:

5. Economic profit (3-4)	+100	-100	-400
--------------------------	------	------	------

This is a puzzle initially to some students because an activity can result in a *positive* accounting profit and *negative* economic profit at the same time, as in the case of B and C in the example.

In order for the student to distinguish between accounting profit and economic profit, the latter should be thought of as containing a built-in comparison factor; in essence, it tells you how much better the best is, compared to the second best. Therefore in deciding which course of action to take you choose the course of action for which the economic profit is non-negative. We say non-negative rather than positive, because in the case of a tie between two or more courses of action their economic profits will be zero.

Making the point with another trivial example:

	D	E	F
	£	£	£
1. Initial cost	500	500	500
2. Return	900	900	600
3. Accounting profit	400	400	100
4. Opportunity cost	400	400	400
5. Economic profit	0	0	-300

The next question which arises and is often asked by students is 'Could you have a negative accounting profit and a positive economic profit?' The answer is yes. If all the courses of action before the decision-maker were loss-making, the best (provided the decision-maker was forced to choose between them) would still be indicated by a non-negative economic profit. Example:

	G	H
	£	£
1. Initial cost	500	500
2. Return	400	200
3. Accounting profit	-100	-300
4. Opportunity cost	-300	-100
5. Economic profit	+200	-200

Given the above choice, both are loss-makers in the accounting sense, but the economic profit of G is positive, showing this to be the lesser evil if a choice has to be made between the two. The 'plus £200' means that G is that much better than H - ie, it loses £200 less.

So far the examples have illustrated opportunity cost as an adjustment to accounting costs. There are some instances where this cannot be done, where the two approaches are completely incompatible. Expensive custom-built machinery may figure in the accounts as a depreciation charge based on the original cost; yet if the machinery is so specialised it has no alternative use, then the recorded depreciation cost will be greater than the opportunity cost.

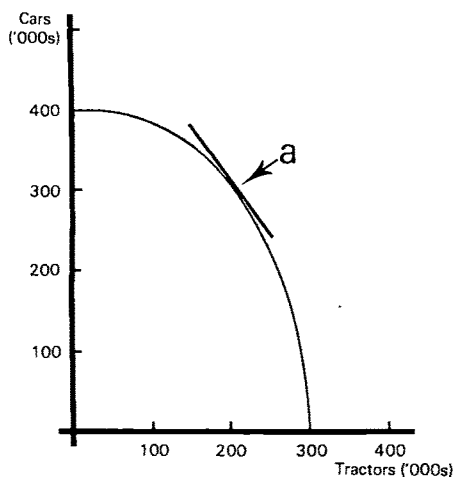
When the student has mastered the simple ideas here, he will find the opportunity cost concept coming back at him (sometimes in disguise) throughout his study of economics. For example:

- (a) The discount rate incorporated into present value calculations: in discounting the monetary values of a project, one is making allowance for what the money could earn elsewhere. It is the opportunity cost of funds.
- (b) 'Shadow' or 'dual' costs in linear programming problems: the shadow

Student Roundabout

cost of a resource is the loss in return as a result of withdrawing one unit of the resource from its present activity. Hence it is the measure of that resource's opportunity cost and should be considered when allocating resources between the firm's activities.

- (c) The slope of any production frontier is the opportunity cost of one end-product in terms of another. In the following diagram, the production of an extra tractor at combination 'a' necessitates the loss in production of about 1.5 cars.



As the numerical examples at the beginning of this article have been constructed to demonstrate the properties of the concepts, they are trivial. In the real world, opportunity cost is obviously more difficult to pinpoint. There are several complications and three are discussed below as aspects of the concept for the point of view of a firm:

The objective/subjective (or monetary/non-monetary) aspect. This has to do with the extent to which opportunity costs can be measured and this is where hunches, guesses and estimates come in. Many items are immeasurable in monetary terms – eg, health and safety hazards – and so value judgements have to be incorporated. Even when a resource is ordinarily measured in money terms, there could be difficulty; hence the need for a subjective estimate.

The opportunity cost of resource may be the price the firm would get from its sale. The firm will not know

with precision what price would actually be realised and so it must estimate. Such an opportunity cost is called an imputed cost.

Internal/external aspects. This draws attention to the fact that some opportunity costs are viewed differently between the firm and people outside – eg, pollution emission – thus leading to a conflict of interest between the firm and individuals/organisations in its environment.

The problem of perception. By its

very nature opportunity cost is a forecast rather than a historical fact. An important factor may not even be perceived until after the decision to go ahead has been made.

Although accountants and economists have common areas of study it is unfortunate, especially for the student, that there is still truth in the observation made by William Baumol when he adapted a famous adage: 'Accountants and economists are indeed divided by a common language'.

A Career in the Oil Industry

In September this year, *The Accountant* was invited to look over the North Sea operations of Shell UK Exploration and Production (*The Accountant*, September 26th), a company formed in 1964 to operate on behalf of Shell/Esso in designated areas of the North Sea. The challenges were enormous and still are; what is not practical today may be practical tomorrow. Until 1978 the company was largely a construction company with vast requirements. It is estimated that the Brent field cost £5 billion to develop.

Financially interrelated

The company employs 110 accountants in Aberdeen, 16 in Lowestoft and 120 in London. Interviewed in London last week, Expro finance director Jeremy Coburn explained the roles of accountants in his company, which though a separate part of Shell UK, is financially interrelated throughout the group. He stressed this interrelation and connection with other companies: the back-up services, for example, in accountancy research of Shell International and the variety of exciting opportunities and prospects of advancement at home and abroad.

Accountants of all CCAB denominations are recruited; ordinary graduates are expected to qualify as ACCA or ACMA. Entrants receive a short introductory training to familiarise themselves with the various products and markets and how the different parts

of the organisation fit together and then join a small team in one particular division, with moves roughly every two years in order to give a broad experience of financial activities.

Shell has a reputation for being a very decentralised organisation but there is wide interplay and exposure to cross forces. An accountant is locked into the part of management at all levels; he tends to identify himself as an oilman as much as an accountant. Working for Expro he might work as a 'drilling accountant' where he has to follow the work in the field.

The oil industry has its special finance problems particularly in the area of joint accounting. In the Brent disposal system (pipelines, pump station and terminals) Shell/Esso are in partnership with 15 other companies. For those interested in computers, the company has invested £24 million in their pipeline integrity system and computer-assisted platform operations.

Specialised area

Taxation is the most specialised area contending with royalty payments, petroleum revenue tax, corporation tax and the problems of deferred taxation.

An accountant in the oil industry, more particularly on the production side must work closely with the engineers to get 'feedback'. As a part of project management, he must be part of an integrated approach and cannot allow himself to be divorced in a purely finance function.

Training Profile

PETER WEAVERS, an assistant financial accountant with the National Coal Board, left school after obtaining 'A' levels in history, economics and maths.

I suppose my decision on a career must have been quite exceptional: I have really wanted to become an accountant since I was 11. At school I was interested in maths and enjoyed 'messaging around' with figures, and at this time accountancy was very much considered to be an extension of maths, although it did not really turn out to be such at all. I thought it would be a good job, and my father encouraged me to obtain a professional qualification.

Although I was clear about my future career, I did not have any idea of what kind of an accountant I wanted to be, so I applied to a professional practice, local government and several large industries. I decided upon industry, and in particular the National Coal Board, because it seemed to offer the most varied experience, not limiting me to one specialised field. I chose to study for the ACCA qualification for similar reasons; it left me with more options open and specifically the option to move into practice at a later date should I so wish.

My first year with the National Coal Board was spent in South Wales in the financial accounts section. Here I was mainly involved with the maintenance of a rent ledger which was really a massive ledger with personal accounts in it. This was in effect very basic accounting, but at that stage I did not really realise that. During this time I studied for my Foundation examination by day release at a local college.

At the end of my first year I was able to join a sandwich course at the South Bank Polytechnic, being sponsored by the National Coal Board. This was a three-year course combining examination study with the opportunity to obtain knowledge of the NCB as a whole. In the summer months I went back to the NCB in South Wales where I went round a number of departments, not necessarily accounting, either observing or becoming involved in the work of each depart-



ment. I suppose I am really very lucky since I find exams reasonably easy and in my final section I actually won first prize, which certainly came as a surprise to me. Of course I had to work very hard, and being sponsored was quite a spur to my study.

Internal audit

After qualifying I took up a position with the internal audit department, which I thought would give me particularly good experience. I was involved with the internal audit for the headquarters at Doncaster, dealing with a variety of matters including the administration of pension schemes and the letting of contracts. I was also responsible for the accounts of eight subsidiary companies which were hived off from the main stream of the NCB dealing with ancillary work, such as computer services and estates.

Working on these accounts in conjunction with our external auditors was excellent experience. In internal audit one gets a broad view of everything which makes it an ideal starting point. There is, however, the usual drawback of being a 'jack of all trades' and 'master of none'.

After two and a half years, I began to look for a move to the accounts department itself so I could see how the accounts were actually done. I moved to the financial accounts office at Cannock where I am assistant financial accountant, responsible for all aspects of the financial accounts for two NCB areas, Western and South Midlands. I am involved in the year-end accounts up to the area level and then of course they are dealt with nationally to be consolidated. The costings of the areas are done at the areas themselves, but anything which goes into the balance sheet passes through our office. A large part of my job is, in fact, concerned with the internal control, maintaining control of the accounts for all the balance sheet items, making sure things are entered correctly and checking to find out the cause of any errors.

I am also involved in a certain amount of management accounting, reporting to managers on how they are performing in comparison to budgets, and so on, and analysing any figures that they want analysing. One of the aspects of my job that I find most satisfying at the moment is the management of people and certainly one of my thoughts for the future will be a move to general management. On the other hand I am also very interested in the technical side of accounting; in particular taxation, and I am currently studying for my Institute of Taxation examinations.

This would certainly be an advantage if I did ever decide to move out on my own. The possibilities for an accountant really are immense; once qualified, you can begin to think of moving in a variety of directions.

CERTIFIED EXAMINATIONS

Students for the professional examinations of the Association of Certified Accountants are reminded that they will be expected to answer questions in accordance with the applicable Statements of Standard Accounting Practice, provided that a minimum period of six months has elapsed from the last day of the month in which each particular standard became effective. Exposure drafts, as distinct from standards, 'are not examinable material', in the words of an Association announcement.

Student Roundabout

Another try for ACASS Mag

Despite the opposition shown towards the idea of a national magazine at the ACASS Council, the executive is determined to give it another try. 'We had no clear instructions from Council', says Ian Davies, 'so we have written to societies explaining that, unless they write back with their objections, we will go ahead and publish a one-off issue in March 1980'.

If the idea is accepted, ACASS executive will refuse to accept any advertisements if it means their withdrawal from any other student magazine. The principal objectors at the Council were

those societies with well-established magazines drawing a substantial number of advertisements. They fear that advertisers would give preference to a national magazine, thus directly threatening their own, especially *Libra*, the CASSL magazine, and *Articles*, Birmingham.

However, even smaller societies with barely a news-sheet to their name opposed the idea – for much the same reasons as all member societies were against anything which would result in more direct contact between ACASS and individual students.

for starters of £1,700 by the end of 1979.

Whereas one first-year respondent, in the four-year category, who had yet to take any exams, was lucky enough to be earning £2,000, nine others who had passed foundation or graduate conversion exams were earning between £1,150 and £2,100. The figures were slightly higher for those on three-year contracts – £1,600 to £2,100. Second-year students in the longer contracts were earning between £1,380 and £2,900, and those in the third year, before PEI, only £1,776 to £1,850.

Salaries of those nine respondents who had passed PEI range from £1,600 to £3,000. The gap closes in the fourth year with only £338 between the lowest salary (£2,650) and the highest. The equivalent figures for three-year students are £3,250 to £3,302.

As the magazine points out, this does not take into account fringe benefits and payment of tuition fees, which add a substantial amount to earnings – usually to those who are more highly paid.

EXETER SURVEY REVEALS 'APPALLING' SALARIES

On the subject of magazines, it is extremely encouraging to find that some of the smaller societies manage to produce a magazine on a fairly regular basis. The Exeter and District Chartered Accountant Students' Society struggles against the apathy of its members and succeeds in publishing *Quarterly Return*. Like many others in the same position, its editor, Jim Bick, of Ernst and Whinney, pleads with his readers 'to write to me with praise, (unlikely), abuse or cheques as we would like to see your contributions in this magazine instead of my boring drivel'.

Apart from coverage of EDCASS lectures and events, an article on how to play the Accumulator game, quizzes and crosswords, the magazine has published the results of their membership survey, which could be of interest to other societies.

Exeter has only 100 members, but slightly over half responded to the survey, enabling the society to learn some useful facts about students in their area. The most interesting discovery

(but maybe the least surprising) was that 'some of the students on four year training contracts have appalling salaries'. *Quarterly Return* wonders whether those concerned will have reached the SWESCA recommended minimum salary



Ian Davies, President of the Association of Chartered Accountant Students' Societies, surveys the empty boardroom in their new offices at 27 Chancery Lane (*The Accountant*, October 25th). ACASS would be very grateful to receive offers of suitable furniture no longer required by firms or individuals.

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS

Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

We Need the Auditor

SIR, — I was very interested to read John Davison's article 'Auditing — An Alternative Perspective' (September 6th issue). The article was no doubt intended to be contentious — a perfectly proper aim — and I do indeed take issue with some of Mr Davison's remarks, although by no means all of them.

Two points do particularly worry me, however. First, I am afraid that some readers might tend to regard the article as simply more evidence that audits in general, or for large companies in particular, are not worth while. It would be easy to receive this impression; I think, however, that the case that is actually made is that one should question the value of audits, not dismiss them.

This is, of course, not a new debate; articles by Professor Briston and Messrs Robert Perks (November 1977) and Ian Hay Davison (January 1978) in the pages of *Accountancy* took differing views. The eleven specific criticisms of the effectiveness of an audit given by Mr Davison (John — no relation, I presume) are stated to be 'reasons for doubting the scale of the contribution of audit in larger companies' — not arguments for the abolition of the external audit.

My other misgiving concerns some of the specific statements included in those eleven reasons. My comments here refer to the numbers used in the article:

1. 'Even where inadvertent breakdowns occur, there is no certainty that they will be noticed by auditors . . .' Of course not. The most ardent advocate of the audit function would hardly claim that it could be a cast-iron guarantee. That does not, to my mind, in any way diminish the value of an independent review of accounts before publication. Most auditors will know from experience of mistakes of the SUITS type which have been prevented. The very occasional failure to detect an error (and no doubt there will always be a few) reminds us that we should always strive to improve our standards; it does not suggest that we ought to abandon the task.

2. Of course some directors resent interference in the form of accounting standards. But the argument against standards, irrespective of who sets them, is really not tenable; a complete free-for-all is just not acceptable today. The threat of audit qualification apparently has considerable persuasive effects on some companies, and perhaps none on others. The accountancy profession cannot and should not be an enforcing body; whether enforcement is desirable, and how it should be achieved, is another matter. But it is surely the case that a company report with a clearly-worded audit qualification explaining the effect of non-compliance with an accounting standard must be of considerably more use to any user than the same set of accounts without the qualification.

3. Regrettably, there may be some truth in the suggestion that modern systems-based audits are sometimes reduced to a form-filling exercise. All the more reason for the profession to establish stringent auditing standards, and for these to be enforced by effective sanctions on the standard of professional work.

4. 'The spreading use of "letters of representation" whose main purpose is to emphasise the responsibility of directors as to the accuracy of accounts information' is wholly to be encouraged; anything that makes directors more aware of their duties must surely be a good thing. The corollary, that this in some way 'minimises' the exposure of auditors, is totally unfounded. Any auditor who is ignorant of his own responsibilities, or who believes he can pass part of the buck back to the directors, is living in a fool's paradise and should be sharply awakened.

5. It may well be that post-audit letters are frequently not as helpful to clients as they could be. Auditors should be encouraged to take a more positive attitude, and to make practical suggestions, but such letters can only ever be a secondary result of the audit function.

6. Internal audit departments range, even in large companies, from non-existent to highly proficient, but most are probably limited in some essential respects. Naturally the internal auditor may provide management with more directly useful information than the external auditor does, because that is what he is paid to do. But whatever the structure, he cannot have the same independent basis of authority for reporting to interested persons outside the company.

7. It is true that well-organised management fraud (which is what the withholding of information amounts to) can be very difficult for the auditor to discover. Again, this must constitute an argument for improving the quality of audit work, and perhaps for strengthening the auditor's position *vis-à-vis* management, rather than for anything else.

8. Clearly the auditor cannot expect to be an expert in all manner of non-accounting subjects. It is equally clearly his duty to obtain independent expert opinions in appropriate cases, and to use his professional judgement to evaluate such opinions and make proper use of them in his overall assessment of the accounts.

9. The issue of selection of auditors also suggests that the auditor's position should be strengthened, and that the outdated legal fiction of appointment by shareholders should be reviewed and altered.

10. I am not sure of the relevance to the argument of the point about 'special work', except that if audit work is comparatively boring and poorly paid, presumably audit fees should be drastically increased and include a premium to offset the boredom.

11. Study of published accounts in recent years, and of the accountancy press, confirms that writing audit reports is an extremely difficult art, and one in which many accountants in large and small practices alike are less than perfect. The example cited, Peachey Property, simply underlines the point; the inspectors' report on that company refers to the auditors' use of 'hieratic' language. The moral is clear: if qualification of the audit report is justified, then the qualification must be clearly stated and must leave the reader in no doubt as to both the auditor's opinion, and the probable financial effects. Again, an argument for the auditor doing his job better, rather than for not doing it at all.

In conclusion, although I do not entirely disagree with Mr

Continued opposite.

Notice Board

PROFESSIONAL NOTICES

Ernst & Whinney announce that the senior partner, Mr H. P. Patterson, FCA, will retire from the partnership on October 31st, 1979. He will be succeeded as senior partner by Mr D. G. Garrett, FCA, who was senior partner of Turquands Barton Mayhew & Co when that firm merged with Whinney Murray & Co at the beginning of this year.



Mr H. P. Patterson



Mr D. G. Garrett



The Glasgow office of Arthur Young McClelland Moores & Co has appointed the firm's first woman partner, Mrs Linda Parkhill, CA, ATII, who was admitted to membership of the Scottish Institute in 1971. A formal announcement appears under 'Professional Notices'.

Hodgson, Harris & Co, Chartered Accountants, announce that Messrs C. E. Smith, FCA, J. E. Curtis, FCA, and J. A. Wheeler, FCA, retired from the firm on October 31st, 1979, in order to take up commercial appointments with clients of the firm.

Stoy Hayward & Co announce the appointment of Mr David Shrimpton, FCA, as partner in charge of the Investigations Department, with effect from November 1st.

Thomson McLintock & Co, Chartered Accountants, have opened an office at Clarendon House, 9-11 Church Street, Basingstoke, Hampshire RG21 1QG (Telephone 0256 52029). The resident partners are Messrs Michael Crabtree, CA, and Miles Roberts, MA, CA.

Arthur Young McClelland Moores & Co announce that on October 31st, 1979, Mr Stanley N. Rae, CA, retired from the Dundee office where he had been a partner since 1946 and a senior partner since 1969. On November 1st, 1979, Mrs Linda Parkhill, CA, ATII, Mr John G. Harris, FCA, and Mr George A. Leckie, BA, CA, were admitted to the partnership.



Mr J. G. Harris



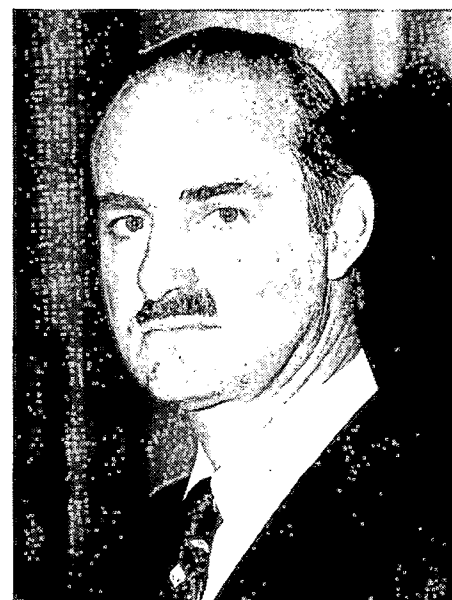
Mr A. Leckie

The partners of Wall & Co and James E. Ward & Son announce that they have merged their two firms with effect from

October 1st, 1979, and that the combined firm is practicing in the name of Wall, Ward & Co. The partners of the new firm are Messrs C. W. Wall, FCA, K. A. Whiting, FCA, B. E. Carter, FCA, and R. L. B. Marshall, FCA. As from October 25th the address of the new firm was 67-68 Jermyn Street, London SW1Y 6NY (Telephone 01-930 9661/2).

APPOINTMENTS

Mr Joseph A. A. Adebayo, FFCA, FCA(Nig), has been elected President of the Institute of Chartered Accountants of Nigeria.



Mr H. J. Gardner, CA, FCMA, Manager —Accounting Research, of Reckitt & Colman Limited, has been appointed by the ICMA to serve on the Accounting Standards Committee. Mr Gardner has been an ICMA Council member since 1972. This year he became Chairman of the Law and Parliamentary Committee, having been Vice-Chairman since 1975. He also serves on the Post-Qualifying Education and Examination Committees.

Continued from page 650

Davison's observations, I believe that we should be very careful in our assessment of where they lead. I agree that one might well question the cost effectiveness of the external audit from the point of view of management. But, except for comparatively minor alterations to current practice, this does not in itself suggest to me that any radical reappraisal should be undertaken of the external audit (although other considerations may well suggest just that.)

If the real thesis of Mr Davison's article is that the quality of audit work and reporting should be improved and effectively

monitored, that the duties of management should be more clearly defined, and that commensurate penalties should be available where those duties are not properly discharged, then I would wholeheartedly concur. But anyone who may be persuaded that audits for large companies should be abolished is jumping to a very wrong conclusion.

Yours faithfully,

NICK TARRANT,
Technical Editor
'ACCOUNTANCY'

Radlett, Herts.

Notice Board

Mr Robert S. King, FCA, has been appointed financial controller for the Suttons Group in Cork, Republic of Ireland.

Mr Jim Millar, ACCA, AMBIM, has been appointed financial controller for Watneys London Ltd.

Mr Walter Miller, ACCA, is to be the new city treasurer for Bristol.

Mr L. A. Piersai, JP, ACCA, FAAI, AMBIM, principal secretary to the Portfolio of Health, Education and Social Services in the Government of the Cayman Islands has been appointed director of finance and administration to Cayman Airways Ltd.

Mr Stanley D. Samwell, FCA, of Josolyne Layton-Bennett & Co, has been elected Vice-President of the Council of the Insolvency Practitioners Association.

Mr Robin Sims, ACIS, has been appointed divisional company secretary of Gratispool International Holdings Ltd, in Feltham, Middlesex.

Mr Graham Slater, ACA, has joined Finglas Laboratories Ltd as company accountant.

Mr M. R. Smith, FCA, has been appointed group financial controller of Dundonian Ltd.

DIAMOND JUBILEE

Price Waterhouse & Co honoured Mr J. M. S. Coates, OBE, FCA, at a dinner in Newcastle upon Tyne on Thursday. Mr Coates, who retired as a senior partner from Price Waterhouse & Co in 1959, is still practising sixty years after qualifying as a chartered accountant in 1919.

LONDON SOCIETY PROGRAMME

The London Society of Chartered Accountants has planned 35 technical and four social events for its Spring 1980 programme. The technical events include a residential conference at Oxford for small practitioners. Thirteen of the technical courses will be held in the evening.

The highlight of the social events will be the London Society Members' Centenary Dinner to be held at the Banqueting Hall, Whitehall, on April 24th, 1980, at which the Founding Societies Centenary Award will be presented for the first time.

THE WORSHIPFUL COMPANY OF CHARTERED ACCOUNTANTS

Installation Dinner

Mr Kenneth Sharp, TD, MA, FCA, newly installed as Master of the Worshipful Company of Chartered Accountants in England and Wales, presided at last month's Installation Court Dinner of the Company at Chartered Accountants' Hall. Distinguished guests included ICAEW Vice-President Mr H. B. Singer, TD, FCA, and two Past-Presidents, Sir Henry Benson, GBE, FCA, and Sir Ronald Leach, GBE, FCA; Sir Ian Morrow, CA, FCMA, JDipMA, ATII, a Vice-President of the Scottish Institute; and Mr W. E. K. Anderson, MA, BLitt, Headmaster of Shrewsbury.

Particulars of the Company and its activities are available from the office of the Clerk, Mr O. Sunderland, TD, FCA, Guildhall House, 81-87 Gresham Street London EC2V 7DS (01-606 7700).

ICAEW RE-ADMISSIONS

The Institute of Chartered Accountants in England and Wales has announced the following re-admissions to membership.

Under Bye-law 34:

Edmund Adedigba Adesioye, ACA, Apapa, Nigeria

Ademola Adeyemi, LLB, ACA, Lagos, Nigeria

Noor Hussain, ACA, London NW2

Abbas Ebrahim Merchant, ACA, Ontario, Canada

Henry Leria Moshi, ACA, Dar es Salaam, Tanzania

Sidney Palmer, FCA, Stockport, Cheshire

Robert Michael Parkinson, MA, ACA, Welwyn, Herts

Peter Brookhouse Richards, ACA, Paris, France

Khalid Yacob, ACA, Lahore, Pakistan.

Under Bye-law 93:

Eric Coplowe, FCA, London E11

'LEFT AND RIGHT'

B	R	E	A	K	E	V	E	N	C	H	A	R	T	S
A	X	I	A			U	U	E	P					
C	A	P	I	T	A	L		M	I	S	T	A	K	E
K	E	E	I			B	B	C	N					
E	X	C	I	S	E			E	N	A	C	T	E	D
D	T			A	R	N		I						
	W	A	L	L	E	T		O	D	D	S	O	N	
C	N	E	E			A	R	H	G					
O	U	T	L	A	Y			B	U	Y	E	R	S	
L			S	E		A		O	A					
L	E	T	T	E	R	S		T	R	A	F	F	I	C
U	A	H	T			A	D	F	C					
D	I	P	L	O	M	A		B	R	O	K	A	G	E
E	E	L	T			L	P	G	P					
R	E	S	I	D	U	E		E	S	T	R	E	A	T

John Foord
chartered surveyors
plant and machinery valuers



Victoria Valuers

stocktaking
inventories
and asset
valuations

9 Golden Square
London W1R 3AF

01 434 1718

**industrial
retail
wholesale**

stocktakers and advisers on stocktaking procedures

Valuers and Auctioneers of Industrial Property, Plant & Machinery



Knight Frank & Rutley

20 Hanover Square London W1R 0AH

Telephone 01-629 8171 Telex 265384

It's what's behind this Card that really matters to your company.



12 FEB 1980

The American Express Company Card System, as the name implies, means much more than the international mobility and security that the Card alone can offer the business traveller.

It means an end to the continuous flow of different bills and receipts for travel and entertainment expenses, from a variety of sources.

Because behind the Card is a streamlined efficient expenses system. It sorts and collates all travel, restaurant, hotel and car-hire expenses charged to the Card for each of your managers and executives. And summarises them

in a concise monthly statement.

Together with an itemized breakdown for each employee, this forms a compact and permanent record which allows you to identify and control patterns of spending.

In addition to the administrative savings, you can also substantially improve expenses cash flow.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs just cut out the coupon.

And cut the hidden costs of business expenses.



To: The Manager, Company Cards, American Express Company, Freepost, P.O. Box 91, Brighton BN2 1ZQ.

Please let me have further details of the Company Card System for 10 or more employees regularly incurring business expenses.

Name Mr Mrs Miss _____

Position _____

Company Name and Address _____

A/C

☐ If you would like details of the system for 1-9 employees only please tick



The American Express Card for Companies —it's more businesslike.

American Express Company Incorporated with Limited Liability in the USA. J.S. Quartley - Resident Vice President United Kingdom and Ireland.

Registered as a newspaper at the Post Office. Printed and published in Great Britain by GEE & Co (PUBLISHERS) LIMITED, at The Priory Press, St Albans, Herts.
Editorial and Advertisement Offices: 151 Strand, London WC2R 1JJ. Tel. 01-836 0832. Cables: COUNTANT. London WC2.
Published every Thursday, price 30p per copy. Post-paid subscriptions: £22 per year; £12 half year. By Airmail: £28 per year; £15 half year.
Concessional rate for registered students: £11.50 per year (forms on application from the publishers).

© Gee & Co (Publishers) Limited. November 1st, 1979.

GEE

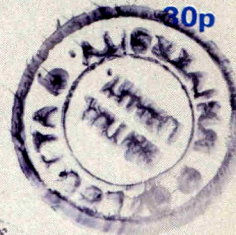
THE

ACCOUNTANT

ESTABLISHED 1874

NOVEMBER 8th, 1979

80p



67



Give muddled expenses the slip.

Cardmember Account Number 3742 900729 91006		Approval Code	
Cardmember Name 10/79 THRU 10/80 73 AX DEREK JONES HAWKES & MCCREE LTD		Check or Bill No.	
Service Establishment HUNSTRETE HOUSE HOTEL CHELWOOD BRISTOL 942 107 107 7	Date of Charge 2/10/79	Any delayed charges are entered below:	
Merchandise/Services £27 10		Type of Delayed Chg.	
Tips/Misc.		Amt. of Delayed Chg.	
Total £27 10		Revised Total	
Cardmember Signature X Derek Jones		Amexco Use Only	
Number 8980044	American Express Card	Record of Charges	
Please Print Firmly		Cardmember Copy	

Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.

ROC FORM 42-03-00-780-0 PRINTED IN U.K.

This slip of paper is a signed receipt for business expenses charged to the American Express Company Card. Complete, legible, unambiguous.

The managers or executives chosen to carry the Card get one copy for each transaction. The company receives one to match.

Gone is the muddle of travel and entertainment bills of all shapes, sizes and currencies which continuously flow into any busy accounts department. And which cause so much unnecessary work for your accounts staff.

The American Express Company Card System offers a choice of billing methods to suit your company.

For example, if you choose Central Billing, your company will receive copies of all these uniform receipts with a detailed individual

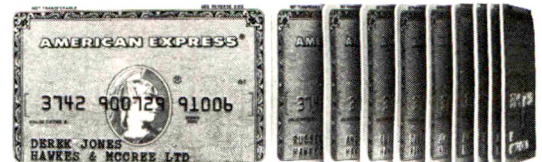
statement – always presented in pounds sterling no matter where the expenses are incurred. At the same time, a summary statement gives you a clear overall view of Cardmember expenditure – which you can settle with a single cheque.

It all adds up to a compact and permanent record of travel and entertainment expenses, which allows you to identify and control patterns of spending.

The American Express Record of Charge illustrated above is just one facet of the simplest, most efficient system for dealing with business expenses.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs, just cut out the coupon.

And cut the hidden cost of business expenses.



To: The Manager, Company Cards,
American Express Company, Freepost,
P.O. Box 91, Brighton BN2 1ZQ.

Please let me have further details of the
Company Card System for 10 or more employees
regularly incurring business expenses.

Name Mr Mrs Miss _____

Position _____

Company Name and Address _____

A/ROC 2

☐ If you would like details of the system for
1-9 employees only please tick



The American Express Card for Companies –it's more businesslike.

American Express Company Incorporated with Limited Liability in the USA J.S. Quartley, Resident Vice-President - United Kingdom and Ireland.

Editor:

M. Barradell, LLB, FCA

151 Strand

London WC2R 1JJ

Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5467

NOVEMBER 8th, 1979

In this Issue

654

**ED 24: Managers Say
'Keep It Flexible'**

660

**CAPA in Manila
W. J. Kenley, MCom, PhD, FASA**

661

**What Use are MEPs?
Richard Bailey**

664

**Accounting for Leases
2: Problems of Standardisation
Colin Rickwood,
BCom, MSc, ACCA**

666

**Angels Unaware
John M. East**

669

**Continuing Advice
Insurance Correspondent**

672

A Word in Your Ear

679

**Statistics: Decision Theory
Stanley Letchford, BSc, FIMA**

Current Affairs 654

This is My Life 659

Accountant Abroad 660

Revenue Report 668

Banking and Insurance 669

Financial Accountant 672

Student Roundabout 679

Notice Board 683

Cover: The role of the 'angel' as a financial backer is discussed in John M. East's second article on entertainment finance, on page 666. The greatest of all such angels - perhaps even an 'Archangel'? - is, of course, the Arts Council.

Facts of Life

Metriation or not, the adage that you can't get more than a pint out of a pint pot is as valid today as it ever was, even if it tends to be forgotten in discussion of the national economy. Little that was said last week on the subject of the White Paper *The Government's Expenditure Plans 1980-81* (Cmnd 7746, HMSO, 70p), either inside the House of Commons or outside it, could be described as helpful to an understanding by the wider public of the current state of the UK economy.

In the first place, the UK economy is virtually stagnating; such growth as there may be is not likely to be measurable in statistical terms. Without the revenues from North Sea oil and gas, the nation would face a major crisis.

Second, prospects of higher productivity either in the public or private sectors of the economy are as remote as inflation is certain if current pay demands are met to any significant extent. There is no economic law which ensures that the community, as a whole, can enjoy in the longer run a standard of living higher than that which it produces in real terms. What happens is that particular groups exploit their strength to increase or maintain their living standards at the expense of others.

Third, the world economy faces a major recession in the coming year. It is quite impossible for any UK government to pursue economic policies at home which are not dominated by this fact. To suggest that the Government should 'spend' its way out of the domestic recession to reduce prospective unemployment reflects a total failure to comprehend the basic facts, both of the international economy and the forces generating inflation at home.

Fourth, while the distribution of the nation's resources between the public and private sectors is largely a matter of judgement rather than of economics, the simple fact remains that, unless the private sector can increase its output to finance an expansion in public sector spending, to switch resources into the public sector means either higher taxation or faster inflation, if not both. In the longer run, if and when the new industrial technology is not suppressed by union action, one may look forward to an expanding private sector and hope that a major part of the growth in the economy can be diverted to the provision of an expanded welfare state.

Fifth, it is inevitable that the bulk of cuts will tend to fall in those areas where expenditure has grown fastest. Currently, local authorities account for one-quarter of public sector expenditure, and their share has grown both continuously and faster than any other segment of governmental spending in the past two decades.

In deciding where cuts should fall, there is a strong element of judgement; but it would be a serious mistake to imagine that the case against particular cuts is measured by the volume of protest from sectional interests. There are too many such groups who deliberately or mistakenly equate their own with the national and public interest.



ED 24: Managers Say 'Keep it Flexible'

Financial management, as represented by the ICMA and by the 'Hundred Group' of London chartered accountants, has given a general welcome to the concept and recommendations of ED 24, subject to one or two not unimportant reservations. Chief among these is the need to preserve flexibility in areas which are still a matter of experimentation.

Among the points made by the Hundred Group – which welcomes the exposure draft 'as a sensible step forward in the evolution of current cost accounting' – are that further development will be necessary in the light of experience; interim as well as final published accounts should be on a CCA basis; and CCA information should be brought within the scope of the audit report. The projected cost of sales and gearing adjustments are 'acceptable', though the group reiterates its previous view that LIFO should be adopted 'in appropriate cases' for determining the current replacement cost of stock.

With particular reference to the application of any prospective standard to UK subsidiaries of foreign companies, the ICMA representations call for further consideration of the valuation of properties and the gearing adjustment. Methods of funding, it is pointed out, are 'often a matter of convenience or history' as between one company and another; while the presumed necessity for repeated professional valuation of properties threatens to involve companies in considerable irrecoverable expense, so that the ICMA recommends that wholly-owned UK subsidiaries 'should be allowed to revalue by means of indices if preferred'.

The ICMA also reiterates a point overlooked by some commentators: namely, that CCA is not a system of accounting for general inflation. The ASC, is felt, could usefully give more prominence and emphasis to explaining the difference between CCA and current purchasing power, and why CCA had been adopted as the preferable system

Wales. The appointment, to a post which has hitherto been held *ex officio* by the President of the Institute, follows the Privy Council allowance of amendments to the Institute's Supplemental Royal Charter and bye-laws approved at a special meeting on June 5th, 1979.

These bye-law changes also include provision for the establishment of the Cross-Grenside Joint Disciplinary Scheme – of which Sir Henry Benson, GBE, FCA, has already been named as chairman-designate – and for increases in the scale of membership subscriptions as from January 1st, 1980.

ICSA Relaxes Advertising Ban

A recent code of practice published by the Institute of Chartered Secretaries and Administrators reverses a 'no advertising' policy which has prevailed since the foundation of the Institute in 1891. 'As a matter of policy', its disciplinary committee will not normally be concerned with advertisements placed by a member in public practice, or by a firm in which he is a partner, provided that advertisements are factual in content; do not seek to claim superiority for the advertiser or his firm; and are not 'of a character that could reasonably be regarded by the Council as likely to bring the profession or the Institute into disrepute'.

The new regulation, effective from November 1st, affects about 400 members of the Institute in public practice. Copies of the full text of the code of practice are available from the Institute's offices at 16 Park Crescent, London W1N 4AH.

Self-regulation and the City Code

With the new freedom of investment, the City is well poised to become again the financial centre of the world, ICAEW President Mr David Richards, FCA, told Brighton chartered accountants recently.

Among the various advantages that London could offer to foreign investors, he listed 'a degree of expertise in money matters which is universally acknowledged as being second to none; and a high degree of integrity, not only amongst its professions where you would

Never Again?

In the High Court last week, the price of a discharge from bankruptcy was put as a perpetual undertaking never again to trade under a business name or as a director of a limited company. Mr Registrar Price, sitting to deal with the pressure of additional work in the London Bankruptcy Court, was told that Mr Leopold Heilpern was in declining health under the stress of a bankruptcy involving claims of more than £3 million and assets of £6,671.

The Official Receiver, Mr Derek Thorne, observed that the proposed undertaking seemed to be breaking new ground, and asked how the Court could enforce such an undertaking. The Registrar replied that the penalty for breaking it would be imprisonment.

'The plain fact here is that no-one is going to get another bean out of this,

bankruptcy', he said. 'Either Mr Heilpern gives this undertaking, or I am not going to grant the discharge.'

Counsel for Mr Heilpern had previously argued that the application for discharge was no more than 'an errand of mercy'; to prolong the bankruptcy would be of no benefit to creditors, and there was no prospect of the 'broken and dispirited' Mr Heilpern, now aged 57, ever engaging in similar activities again. The case was adjourned for counsel to take further instructions.

Bye-Law Changes Approved

Mr Harold Dean, CB, QC, LLM, Judge Advocate General of the Royal Air Force from 1972 to 1979, was named last week as the first legally-qualified chairman of the Appeal Committee of the Institute of Chartered Accountants in England and

expect to find it, but in all its markets. Its word is still its bond, to the continuing amazement of less trusting foreign operators.

'None of the professions and the markets that make up "The City" has any real degree of Governmental control, even if it suffers from Government interference occasionally. The whole ethos has been built up on a process of self-regulation – a process much decried by those who, generally for doctrinaire reasons, do not want to believe it can work. It can and it does, efficiently and quickly; efficiently because it operates under a code which the City has imposed on itself and which is enforced with vigour; quickly because no long, tedious changes in legislation are required if any gaps in the process of proper regulation are found.'

The code of ethical standards already in existence in the City, the President concluded, must more than fulfil the requirements of the EEC code for capital markets.

Capital Tax Barriers

Investment in Britain is inhibited by 'the uneven and unfair' capital taxation system, according to the Chairman of the Stock Exchange, Mr Nicholas Goodison, in a formal submission to the Government.

Savings such as Government stocks and insurance policies have tax advantages not available to other types of saving, such as investment in risk capital. He maintains that such uneven fiscal treatment puts positive barriers in the way of equity investment.

Mr Goodison has not asked for tax concessions for stock market investors similar to recent French legislation. He wants, he claims, fiscal neutrality.

He does, however, want to see tax incentives in relation to profit sharing schemes. The Stock Exchange would like the limit a company can give its employees in shares raised from £500 to £2,500 and a sliding scale of tax, leading to complete freedom from tax for employees who do not sell the shares for more than five years.

The Chancellor of the Exchequer has promised a thorough review of capital taxation for the next Budget.

Changing Auditors in the Republic

At the annual general meeting in Dublin of PMPA, a giant insurance company, some shareholders asked why the auditors' fees had jumped from £39,000 the previous year to £76,000 this year, and why the firm of Stokes Kennedy Crowley had been employed to act as joint auditors with the Dublin firm of Oliver Freaney & Co.

The chairman replied that joint auditors were necessary to speed up the annual audit – and then proposed that

only Freaney & Co be appointed as auditors.

A representative of Stokes Kennedy Crowley was allowed to speak after being at first refused, and pointed out that 20 days' notice of change of auditors must be given to the auditors and to the shareholders. However, the meeting decided to appoint Freaney, and then showed its muscles by initially refusing, but later accepting, a proposal to double directors' fees to £3,000.

Double Relief for Irish Taxpayers

Twice recently, the Irish Republic's Minister of Finance, Mr Colley, has brought a sigh of relief from the Green Isle's taxpaying citizens. The first occasion was when he announced that there would be no autumn Budget, the shadow of which in recent months has hung like a tempest over industry.

His earlier Budget had been calamitous, with the country's farmers protesting fiercely at his levy on sales, followed by a protest march through Dublin and elsewhere by the PAYE taxpayers, all sections linked in hostility.

The defiance of the law-breaking fishermen to the law governing herring and mackerel fishing in the Celtic Sea was bad enough, though preceded by a ruthless four-month strike by the postal employees, and spasmodic shutdowns of the State electricity company. Since then unpleasant rumours of reduced State funds and inadequate tax collections sparked off worried whispers of hair-shirts before October. Mr Colley parried with an acknowledgement that the national deficit would exceed £500 millions, but refused to name the exact figure.

Meantime the building industry was suffering from the general lack of ready cash, but Mr Colley announced on October 25th that the Trustees Savings Banks would provide an additional £10 million in bridging finance. Simultaneously the Agricultural Credit Company was authorised to arrange a loan of up to £25 millions, to be lent for

agricultural developments at normal interest rates.

It was not the Government's intention, he said, 'that enforcement of the guidelines should bring any industry to a halt or should impose intolerable burdens'. Hence the second sigh!

Strong Medicine

The department of Post and Telegraphs in the Republic of Ireland has a poor reputation. It is reputed to have some 60,000 baffled citizens still waiting for the phones they requested two years ago, and the queue is getting longer. It has not perhaps been given the more dynamic Ministers by previous Cabinets, and its image is one of Victorian methods, particularly after the long strike in the spring revealed inadequate staff relationships.

The Minister for Posts and Telegraphs has now announced drastic improvement measures. The Republic's Post Office will be changed into two separate semi-State bodies, the Postal Board and the Telecommunications Board, each to be master-minded by one of the country's ablest industrialists, whose task will be to reorganise the services, plan future development and managerial strategy, and exploit the new freedom and opportunity which this reorganisation will provide.

Legislation will be needed to give effect to the new plan, and the Minister has advised the staff affected not to worry, as 'there will be no change in civil service status or conditions'.

Judgment Reserved on Tax Searches

The House of Lords last week reserved judgment in the *Rossminster* case, in which the Inland Revenue seek to overturn a ruling of the Court of Appeal that simultaneous dawn searches of the company's offices and the homes of its executives fell outside the department's statutory powers (*The Accountant*, August 23rd).

Defending the conduct of the searchers, Mr Robert Gatehouse, QC, for the Inland Revenue, said that 7 am had been decided as a time at which property would not have to be broken into, as the householders would not have left for work and would be available to admit the searching officers. It was essential, he claimed, for a search to be effective that it should proceed at all the affected premises at the same time and, once begun, it must continue non-stop. Had the officers examined each individual document before removing it, as counsel for *Rossminster* had claimed they should, it

would have meant 'camping on the premises for a matter of months'.

Parliament had intended, Mr Gatehouse argued, to give the Inland Revenue wide powers of search. Though such powers might be distasteful, they must be effective if they were to be exercised at all. 'There can be nothing worse than a search which infuriates the subject and gives the Revenue officers a thoroughly bad name, and then does not achieve results', he said.

For the company, Mr Andrew Bateson, QC, scouted the Revenue argument that disclosure of the grounds on which a search warrant had been applied for might also reveal to the taxpayer how much or how little the department knew. It was essential that the Courts should be able effectively to supervise the exercise of Revenue powers to search and seize, and this could not be done if a warrant failed to specify the type of offence, the person suspected and the

grounds of suspicion. His clients' business had been brought virtually to a standstill, and the Revenue had given the Court no reasons at all for their action.

He denied that Parliament had ever intended, in granting powers of search and seizure in the Finance Act 1976, to give the Inland Revenue a total and unfettered right to walk into a business, seize all its documents and take them away for inspection. The warrant authorised only the searching for evidence that might be found at particular premises, and nothing further; a wider interpretation would place the individual at the mercy of any Crown servant empowered to seize documents. The 1976 provisions represented an entirely new power which, in any area of doubt, should be construed against the Revenue.

Pending determination of the appeal, the Inland Revenue has already undertaken to put the results of the search into 'cold storage'. In the event of an adverse decision, the original documents will be returned to the company and all copies destroyed.

UK Professionals Show Good Taste

Chartered secretary Mr Robert Mapley, FCIS, headed a team of UK oenologists who recently swept the board in a competitive wine-tasting against a French team – based on French wines, and held in Paris! The UK party, which also included chartered accountant Mr Keith Salway, BCom, FCA, took the first four individual places out of ten and the team prize, together with a jeroboam of Ch Pichon Lalande '70 for Mr Mapley.

The contest was organised by Etablissements Nicholas of Paris in conjunction with their London agents, Grants of St James's, between teams drawn from readers of *Le Figaro* and the *London Evening Standard*.

Wide Experience Sought

Varied experience is increasingly seen as an advantage by the employers of Britain's brightest young professional people. Staying too long in a job without broadening one's experience is more often regarded as a sign of inflexibility and lack of drive rather than as an



'... and the directors have not maintained proper books and records – they submit that there is no accounting for tastes.'

Extel is pleased to announce
the first service specifically
designed for trust accounting

TRUST

proven by processing two
years' live trust work for
four major accounting firms

TRUST

already established as
efficient and cost-effective

TRUST

Comprehensive Confidential Cost-effective

TRUST

Would you like to know more?
Please contact ALAN WICKETT, 01-638 5544

Extel Computing Limited

Lowndes House 1/9 City Road London EC1Y 1AA

Extel
GROUP

A.C.C.A. I.C.M.A. I.C.A.

**Guaranteed exam coaching
from Metropolitan College.**

A.C.C.A., I.C.M.A. and I.C.A. exams are never easy. With our proven home study courses you get all the help you need.

Over 50,000 passes and 1,500 honours or leading places in accountancy exams alone. So if you want to get on, *get our help.*

Courses include up-to-date helpful notes, test practice, expert tutorial criticism, invaluable self-examination questions and official professional publications where appropriate.

For our prospectus (it shows you how we teach and what we teach) send now: The Principal, Department ATA07, Metropolitan College, Aldermaston Court, Reading RG7 4PW, or call at the Metropolitan College Advisory Office, 4 Fore Street Avenue, London EC2Y 9DT. Tel: 01-628 2721.

Call in and see us at our LONDON ADVISORY OFFICE
Career Books, 4 Fore Street Avenue, London EC2Y 9DT
Telephone: 01-628 2721

Prospective students are invited to call for consultation during office hours (Monday-Friday, 9 a.m.-5 p.m.). After office hours, messages are recorded for the Advisory Officer.

FAST AIRMAIL SERVICE FOR OVERSEAS STUDENTS

Accredited by the CACC

Member of the ABCC

POST COUPON NOW!

To the Principal, Dept ATA07, Metropolitan College, Aldermaston Court, Reading RG7 4PW. Please send me, without charge or obligation, a copy of your prospectus.

Name
(Block capitals please)

Address

Post Code Age



A cause clients will understand

IF YOU'VE never had anything, you never miss it.

But if you've known a reasonable standard of living, imagine the horror of reduced circumstances.

We help people who have practically nothing - except memories of happier times in a happier age.

Many of your Clients will understand and will sympathise with what we are trying to do. Many of them, if you suggest it, might like to remember us in their Wills or with a Covenant. After all, what greater gift can there be than giving another elderly person something to live for?

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE · VICARAGE GATE · KENSINGTON LONDON W8 4AQ

"Help them grow old with dignity"

BY ARRANGEMENT WITH BOWEN & COURT LIMITED

★ THE BOWCOURT ANALYSIS SHOW ★

STAR OF THE SHOW

BOWCOURT ANALYSIS PADS AND PAPERS

STAR ATTRACTIONS
★ INCLUDE ★

- DEBIT & CREDIT
- FORCOL
- ABSTRACT
- DOUBLE RULED

READY RULED

ANALYSIS PAD & PAPERS
★ 8 & 16 COLUMN A4/A3 ★

TOP DOUBLE ACT
★ QUERIES ON ACCOUNTS ★
★ QUERY/ANSWER ★
BOTH A4 SIZE

FULL SUPPORTING CAST
OF BUSINESS EFFICIENCY PADS

NEW STARS OF TOMORROW
VAT RETURN BANK RECONCILIATION
ANALYSIS PR ANALYSIS 53

FEATURING THE VERY POPULAR
TRIAL BALANCE PADS & PAPERS

SEND TODAY FOR
DETAILED LIST AND PRICES
PHONE 01-659 1931

7 GARDNER ESTATE · KENT HOUSE LANE · BECKENHAM · KENT BR3 1JR

Current Affairs

indication of loyalty and solidity as in the past.

During 1979 the ending of incomes policy and the relaxing of tax in the budget have given Britain's highest-flyers, those earning £20,000 and more, a considerable boost in their take-home pay, and this has also been reflected lower down the scale in a re-establishment of differentials, and in salary increases for Britain's middle management.

These facts and others are disclosed in Accounting Personnel's Autumn Survey.

Quote of the Week

'There is something of my own opinion in this piece, but it is entirely factual'. — Prospective contributor to *The Accountant*.

Inspecting Inspectors

A new index *An Inspector at the Door* lays bare the arbitrary powers of the myriad armies of officialdom. Some inspectors give themselves grand disguises: thus the ratcatcher calls himself a rodent control officer, and one wonders whether the drains inspector is a sanitary engineer or a privy counsellor.

Compiled by the Adam Smith Institute for the National Federation of Self Employed and Small Business is a list of all types of statutory inspectors, including those for the benefit of ostrich and fancy feather workers and the keg and drum industry. The authors have found 252 authorisations which confer powers of entry, covering 201 different kinds of inspectors — but by far the most abhorred inspector is the dreaded VATman.

VAT is probably the most execrated tax since Walpole introduced excise in 1733 — which occasioned serious riots, and was defined by Dr Johnson some 30 years later in his first English dictionary as 'a hateful tax levied upon commodities'. VATman is from the same body as the reviled 18th century exciseman, Customs and Excise, whose powers have least limitation.

And now the Revenue man whom we used to think of as a quiet thin fellow in a pinstriped suit is showing his teeth with dawn raids on company offices! *O tempora, O mores.*

THIS IS MY LIFE

Outdated Strategy

by An Industrious Accountant

Several weeks ago we held an angry and unhelpful meeting with our staff representatives, which not only broke down but left a bitter taste behind it. Men and girls in the departments, who used to talk freely with directors or managers in friendly style, now pass with cold contradictions and requests to consider further before finalising agreement.

The original squabble derived from the board's decision to introduce — over a reasonable period, with reviews at regular intervals — the payment of wages by cheque, as a security precaution. In fact, this step has been discussed every few years, but the employees have always rejected it on the grounds that their earnings would be made known to the wife or the bartender, a revelation which they see as lethal to their private activities with greyhounds, soccer, and blonde Bella in the club.

Time was when negotiations were

different. Prinny would welcome graciously the union man and his silent group of employees, and hand out coloured charts of COL versus recent pay rises and assorted pension scheme benefits. The UM would reply almost respectfully with details of wildly generous offers from Smith & Co and other local Santa Clauses, which Prinny would pooh-pooh firmly. Some cut and thrust would follow, the UM would sag sadly, then Prinny would offer 6 per cent by instalments — a figure shot down by a frantic interruption from some over-frank truck-driver unused to group respectful silence, to be promptly hushed by the UM who would claim a minimum 10 per cent, to be scorned by Prinny who might grunt 7½ per cent as his final offer.

The UM would fight back weakly, but he held no trumps then, and was reduced to suggesting one per cent for staff interchangeability if required. My calculator would be red-hot, my fingers

sore, and the audience weak with stress, when agreement was reached and hands were shaken. The UM stayed behind to answer Prinny's inevitable vital questions: yes, he'd say firmly, when he agreed a figure he'd make it stick. Stick it did; no come-back, no recriminations, the deal was binding on both sides.

At our last hard-fought meeting, the staff's toughest men did the talking, and the UM sat almost silent. For want of tactful technique we ended enemies.



... their earnings would be made known to the wife ...

Technical sessions throughout the conference centred around three main topics.

'The Role of CAPA in achieving harmonisation' raised a number of interesting questions concerning the future harmonisation of accounting and auditing standards, and development of the profession generally. The author of the principal paper on this topic was Mr Washington Sy Cip, founder and Chairman of the SVG Group, which has members firms in nine countries in South-East Asia.

Salient points

Among the salient points made in Mr Sy Cip's paper were:

- (i) the need for improved world-wide comparability of financial statements has become more pronounced, thus emphasising the need to standardise financial reporting practices;
- (ii) the process of harmonisation would be fostered if the profession worked to make available to all professional accountancy bodies the knowledge, expertise and experience which each of them possesses;
- (iii) technical standards will determine the cause of the future progress of accountancy throughout the world; and
- (iv) two-thirds of the world today is composed of developing countries whose circumstances should be considered in the formulation of international accounting and auditing statements.

The second main paper was prepared by Mr Walter Schuetze, partner in the New York office of Peat, Marwick, Mitchell & Co, and a former member of the Financial Accounting Standards Board. Writing on 'Current developments in accounting', Mr Schuetze commented on four developments affecting the profession in the United States: namely, the public demand for increased accountability in all institutions of US society; a growing awareness of the importance of the economic consequences of accounting standards; supplementary disclosures; and the attention that is now being given to accounting for non-business enterprises. He also commented on the establishment of new

CAPA in Manila



by **W. J. KENLEY,**
MCom, PhD, FASA

The 1979 Conference – the ninth – of the Confederation of Asian and Pacific Accountants was held in Manila from October 14th–20th, 1979, under the auspices of the Philippine Institute of Certified Public Accountants.

standard-setting bodies such as the AICPA's Accounting Review Services Committee, and the appointment of non-CPAs to the governing bodies of the Institute and to standard-setting bodies.

The third technical paper was prepared by Mr John O. Miller, chairman of the David Syme Business School at Caulfield Institute of Technology in Victoria, Australia, and a Council member of the Australian Society of Accountants. In a comprehensive paper on 'Academic preparation and continuing education of accountants', Mr Miller

discussed a wide range of matters which he considered needed to be encouraged if the professional status of accountants is to be enhanced. Accounting knowledge alone, he argued, is clearly not adequate to equip the professional accountant for his future sale. He suggested that preparation for professional accounting should be carried out in institutions of higher learning (three years is seen as a minimal programme, with four years as the desirable goal in the medium term). Two years' work experience should be gained before sitting for a comprehensive qualifying exam, which should be practically oriented, and 'open book' in nature. He further advocated that post-graduate study for specialist qualifications should be commenced within eight years of gaining initial membership of a professional body of accountants, and that continuing professional development courses should be mandatory.

Personal characteristic

Professionalism is an intensely personal characteristic, he said; neither degree entry nor mandatory professional development can every guarantee the quality of personal judgement nor the presence of ethical behaviour. Nor is there any real evidence of a need, at least in Australia, to establish separate accounting schools. The interdisciplinary nature of much in the curriculum for accounting students makes it desirable that these matters be taught in a broader business setting rather than in an accounting setting only.

As one would expect, views expressed in the many small discussion groups and at the plenary sessions varied, but the conference overall provided the opportunity for many members of the profession from many countries to consider in depth issues which are of vital importance for the future development of the profession on an international as well as a national basis.

In addition, mention should be made of the comprehensive conference arrangements, and the special functions apart from the many technical sessions, arranged by the Philippines Institute, both for delegates and for accompanying persons. Several years of planning by the Institute certainly resulted in a well organised and enjoyable conference.

What Use Are MEPs?

by RICHARD BAILEY

The turn-out of 32 per cent of the British electorate to vote for the return of Members of the European Parliament (MEPs) reflects the national distrust of foreign bodies in general and the Common Market in particular. It would require an unusually sanguine character to announce oneself as an MEP in a crowded bar anywhere in the UK on a Saturday night. All the same, on the assumption that we are in the Community to stay, the directly elected European Parliament should be an improvement on the old nominated house.

Wide spectrum

For a start its 410 Members represent a much wider spectrum of views. They are not national MPs sent off to do a spell in Strasbourg but people from business, commerce, farming, the professions and so on, who feel that there is an important job to be done in making, or for some unmaking, Europe. Certainly the European Parliament does not start off with all the omens in its favour.

Some member governments, notably the French, are determined not to allow any increase in the powers of the Parliament, except by the unanimous consent of the Council of Ministers. Again, many of the Members are quite inexperienced in the kick-and-rush style of doing parliamentary business. A third problem, which may turn out to be a blessing, is the lack of cohesion in the party groups.

The Labour party members, for example, are in the Socialist Group, but whereas they regard the CAP as an intolerable drag on the Market, their French colleagues regard it as a right and proper tribute from the other member states to *la belle France*.

In spite of these apparent difficulties, however, the newly elected Parliament may serve the public well in a number of ways. For a start the professions, including accountants, may find it an advantage to be able to bring pressure to bear on their MEPs to promote, or

oppose, some Europolicy affecting their interests. The new MEPs are likely to be much more susceptible to persuasion than their nominated predecessors were.

In more precise terms the MEPs have five main functions. The first is to represent their constituents by putting forward their views, and in the opposite direction explaining Community policies to them. Secondly, the MEPs have the task of monitoring and controlling the actions of the other Community institutions, the Council and Commission. This will involve questioning policies put forward, demanding information on expenditure, for example, and generally reminding Ministers and Commissioners that Community policies must satisfy the public which the MEPs represent.

The third function of the new Parliament will be to participate in policy-making. In the old Parliament this aspect was seen particularly in the pressure exerted for bigger regional funds. This pressure could in future be used to cut CAP spending or to press for the revision of national budget contributions.

Human rights

There is also the possibility that the Political Committee will become involved in discussions on the implementation of the Helsinki Final Act on Security and Co-ordination in Europe, including the question of human rights behind the Iron Curtain.

The fourth function of the Parliament will be to look ahead on 'think tank' lines and suggest new policy areas and changes in the direction of existing policies. The outstanding example of a lack of co-ordination is between the national finance and agricultural ministers on the budgetary repercussions of present policies.

Lastly, the new Parliament can have a role to play in developing the external relations of the Community. This does not mean taking over the conduct of foreign affairs from national governments, but understanding the influence

of outside pressures on the achievement of Community policies on growth, energy, inflation, employment and so on.

How long it will take the MEPs to come to terms with the opportunities opened up by their election, remains to be seen. Some will never develop a European dimension in their thinking. But if enough of them, especially among the British members do, then their influence should greatly improve the chances of the Community becoming a more effective organisation.

Harmonising the Railways

The Commission is once more studying the problems facing the railways of the Nine. In its second annual report to the Council on the economic and financial situation of the railways, the Commission points out that the use of railways, relative to their other transport competitors, continues to decline – in some countries at an alarming rate. Because of their difficulties, the Commission has called for urgent action, at both Community and national level, to prevent a further deterioration. The report proposes that:

EEC legislation on compensation and aids should be modified so that member states are able to face up to the financial consequences of their intervention in the railways.

Priority should be given to achieving closer co-operation between the EEC's railways; and

railways, through consultation with national governments, should begin to adopt business and financial planning techniques, new investment, and make their service more suited to current market and economic needs.

After studying the report the Council will make known its views to the Commission, particularly on the policy objectives the Commission has proposed.

Practice in Portugal

Portuguese accountants are anxious to discuss problems of common professional interest with accountants in other European countries, in anticipation of Portuguese accession to the Common

Market. This was one of the impressions to emerge from a recent meeting of the UEC Auditing Statements Board in Lisbon.

Some of the liveliest technical discussions on this occasion followed a presentation by an English member on 'The Auditor's Working Papers'. Portuguese audit files, according to a leading member of the local Chamber of Auditors, differ very significantly from UK requirements, this being in large measure a consequence of the Portuguese practice of having the auditors as a permanent member of the company's fiscal supervisory board.

Other topics discussed on this occasion include 'The going concern concept' and problems of professional education.

Insurance Contract Law Under Consideration

The Commission's draft directive on co-ordinating legislative and administrative conditions on insurance contracts is expected to be considered by the European parliament and the economic and social committee. Both opinions are expected some time in November. Meanwhile a council working party will be set up to discuss the directive.

Product Liability Rules

European manufacturers will be liable for damages caused by defective products whether or not the defects are caused by their negligence, under proposed new Common Market rules on product liability.

The proposals announced by the EEC Commission, make a 'producer' totally responsible for his products up to ten years after the year they go on sale, and require him to prove that his product was not defective, rather than leaving it to the consumer to prove that it was. Should he lose his case, the producer would be liable for damages up to 25 million units of account.

If a producer could not be identified, the supplier would become responsible unless he disclosed the identity of the company who supplied him with the defective product. And in the case of imported goods, the importer would become liable.

The proposals represent a defeat for

This Year, Next Year, Sometime . . .

Integration of the Australian accountancy profession, though apparently accepted as a desirable long-term objective both by the Institute of Chartered Accountants in Australia and by the Australian Society of Accountants, appears to be proceeding rather more slowly than might at one time have been envisaged. The latest official announcement, in the 1978-79 annual report of the Institute, speaks of 'future discussions [being] entrusted to an Integration Policy Committee, under an independent chairman, supported by joint committees at state level'. The Chairman of the Australian Broadcasting Commission, Mr J. D. Norgard, has accepted nomination as independent chairman, and the new group 'will meet shortly to consider a plan which may lead to integration within a reasonable period'.

Historically, the Institute can claim the earlier origins, though, with a member of 10,628 at June 30th, 1979, it is outnumbered approximately 4 to 1 by the Society. Whereas the Institute is predominantly practitioner-oriented, the Society's practising members are in the minority as against those in industry, commerce and the public service, and past attempts by the Society's Council for the closer control of practising certificates have been strongly opposed

as 'divisive and élitist'. There appears to be growing support, however, for the view that the Australian commercial community cannot indefinitely support the continued existence of both bodies (some accountants belong to both) and there is already a significant measure of co-operation in such areas as the Australian Accounting Research Foundation and in the issue of exposure drafts and accounting standards.

To quote again from the Australian Institute's 1978-79 Report: 'Council believes that it is in the interests of the profession as a whole and of individual members of both organisations in the longer term that the two bodies should pool their resources to establish a single institute representative of the accounting profession. Such a fusion would enhance the ability of the profession to play a more effective role in the review of legislation in areas within its competence, would rationalise and increase the capacity of the profession to discharge its standard-setting responsibilities, and enable more effective regulation of the profession to be exercised by accountants themselves'.

Another item of interest to emerge from the Australian Institute's 1978-79 report is that the previous year's publication was awarded the bronze medal of the Australian Institute of Management.

both industry and the European Parliament, which had sought to shift some of the burden of proof back on to the consumer. A crucial amendment to the Commission's original proposals introduced by the Parliament would have exempted manufacturers who could prove that, in the light of scientific development at the time they put defective goods on the market, they had no way of discovering the defect.

Viscount Etienne Davignon, the Industry Commissioner, supported the Parliament in pressing for this amendment, but the other Commissioners sided

with Mr Richard Burke, the Consumer Affairs Commissioner, who rejected the amendment. He claimed it would shift the burden of proof back on to the consumer who would be less able to afford court proceedings, and would encourage manufacturers not to reveal publicly results of their research.

The proposals have been passed on to member governments and will ultimately be debated in the Council of Ministers. But this could take a year or more and it is widely expected that the proposals will be substantially watered down before the Council approves them.

ACCOUNTS SPEEDING

**It was recently reported
that firms of Accountants
have been found speeding up
the introduction of com-
puter services to clients**

- * The normal time scale for introduction of a computer service to a client, *and* to see that it is both integrated and made operational, can be measured in months. However, with the uniting of the CTS expertise and the Jaguar Computing Services facilities, Practitioners can achieve this in a matter of weeks.
- * The combination of the unrivalled expertise of the CTS and Jaguar staff, *and* the Practitioners in-depth knowledge of his clients' requirements allow for fluid introduction, integration and maintenance of computer accounting systems, tailored to *individual* requirements.
- * The Jaguar Computer Service division within the CTS Group is a totally separate entity. It provides on its own computer, Integrated Accounting systems, Stock Management systems, Purchase Control, and Planning and Payroll for all sizes of business.
- * The services are either provided 'on-line' through the users own terminals, or by the simple submission of completed forms. It also allows for the conversion from the use of a bureau to the acquisition of an in-house computer developed, programmed and installed by the Jaguar Computing team.
- * At the same time, whilst the main division still provides a service *exclusive* to Practising Accountants, the new division is aimed at *assisting* Practising Accountants.
- * Thus the use of the CTS Group reduces practice routine time, allowing you to review your clients' requirements. It *now* also allows you to profitably provide those services that they require.

For the complete answer to Clients requirements, contact:

Martin F. Lass, B.A.Hons.,
J.C.S. Limited,
CTS House,
Masons Avenue,
Harrow,
Middx. HA3 5AH.
(Offices throughout the U.K.)
Telephone 01-863 0111.

Jaguar Computing Services
Another development to aid Practitioners by:



"The Specialists in Practice Automation"

C.T.S. for Accounts Preparation, Practice Administration, Tax & Statutory Administrations, Accounts & Report Finalisation and Management Services via Computer and Computer Bureau.

... By Accountants for Accountants ...

Accounting for Leases

2 – Some Problems of Standardisation

by COLIN RICKWOOD, BCom, MSc, ACCA
Lecturer in Accounting, University of Birmingham

The previous article, by John Glynn, discussed the major issues which have led the Accounting Standards Committee to include consideration of the reporting of leases in their programme. It has already been announced that an exposure draft is to be issued in November 1979, and the discussion that has preceded its publication suggests that capitalisation of financial leases is a highly probable recommendation.



Consistency and comparability are dominant among the arguments concerning the reporting effects of lease capitalisation. The view that the economic reality of a financial lease contract closely resembles purchase of the associated asset financed by debt can be extended to support a need for direct comparison of the financial results of a company using lease finance with one using debt. If the former company capitalises its leases, the balance sheets of both companies will include the associated asset and the long-term obligations of both sources of finance are disclosed in a similar manner. The very high proportion of outside finance provided through a lease can result in considerable effects on gearing ratios by the inclusion of lease obligations amongst the debt capital of a company.

The immediate change in published financial structure resulting from the introduction of a generally applicable standard could produce problems. Some companies may find that suddenly their reported gearing levels may not comply with limitations included in existing debt contracts. It is of note that the FASB provided a transition period for the adoption of its standard requiring all new or renegotiated financial leases to be capitalised, but allowing a period of up to four years before retroactive action was needed which would bring all financial lease obligations on to the balance sheet. Plans for the introduction of a standard practice in the UK will be of some interest.

It is often suggested that serious users of financial information (investment institutions and analysts) will obtain the relevant data concerning a lease whether it is disclosed or not, and that disclosure is unnecessary here. However, a 1959 American survey found that only a quarter of commercial banks and practically no mutual funds or investment bankers had formal techniques introducing lease commitments into gearing considerations, and that variations in valuation procedures were more than a little surprising.

Given that capitalisation of financial leases is to be attempted, three significant measurement problems arise:

- (a) How much of the lease or property should be capitalised?
- (b) How should the asset and obligation be amortised?
- (c) What discount rate is important?

FAS13 offers answers to all three questions, and these answers will be examined, dealing with the discount rate question first.

The two discount rates most appropriate for the present purpose are the lessee's incremental borrowing rate and the implicit rate of the lease contract, both of which are given recognition by FAS13. The lessor's costs of equity and debt capital need not be related to the lease contract nor its reporting. If it is accepted that, as far as the lessee is concerned, a lease provides him with a close substitute to debt finance, then debt rates will be relevant. On the other hand, equity costs relate to finance of an entirely different risk type as does the lessee's overall cost of capital.

Computing the lessee's appropriate debt rate is not without its problems. First, finding a source of debt finance having comparable risk properties is difficult. A lease carries with it the specific security for the lessor that holding title to the asset offers; it may not offer the same opportunity for claiming any excess value of the obligations over the realisable value of the asset. The problem to be faced is one of matching these properties with an alternative debt instrument. Add to this the imperfections and discontinuities that exist in the market for debt and there is little likelihood that the cost of any available debt may provide a suitable discount rate.

In reality, a company probably chooses lease financing rather than debt because the debt alternative was associated with an unacceptable cost or was simply unavailable. Comparison with a company using debt instead of lease finance but otherwise similar becomes particularly hypothetical.

A first reading of FAS13 would appear to favour the use of the lessee's incremental borrowing rate by the lessee. The implicit rate is recommended only under apparently restricted conditions, these being:

- (i) when the implicit rate is known; or
- (ii) either (a) if the implicit rate is lower than the incremental borrowing rate
- or (b) if the fair value of the leased asset is below the present value resulting from application of the borrowing rate.

The validity of the first restriction cannot be denied, but for almost all direct financing leases (ie, those where the lessor is merely providing finance, the supplier being a third party) the outright purchase price is known and the implicit rate can be determined.

The alternatives under (ii) are somewhat complementary. From the definition of a financial lease given last week, it is clear that such contracts commit a lessee to a very substantial part of the value of the asset. As the illustration which follows indicates, this will mean that when condition (ii) (a) does not apply, (ii) (b) almost always will.

Consider a lease contract requiring the lessee to pay £10,000 per annum in arrears for five years. To simplify the illustration, it will be assumed that the lessee considers the useful life to be five years also, and that the asset has zero value at the end of this life. The fair value of the asset is known since it could be purchased outright for £41,000.

First, a borrowing rate of 8 per cent is assumed. The calculation of the implicit rate requires the use of discounting techniques; here the implicit rate is 7 per cent, since £41,000 would purchase an annuity of £10,000 for five years in arrears using an interest rate of 7 per cent. Condition (ii) (a) indicates the use of this 7 per cent rate, since it is lower than the 8 per cent borrowing rate. In the lessee's accounts, the recording of the initial adoption of the lease appears as:

<i>Dr</i> Leased asset	£41,000	
<i>Cr</i> Lease obligations		£41,000

If, next, a borrowing rate below the implicit rate is assumed, the resulting present value will be above the fair value and the implicit rate will be selected once again. If the borrowing rate is 6 per cent, a present value of £42,124 is calculated.

The implicit rate is always known and appropriate for the lessor, the initial transaction being suitably recorded for a direct financing lease as:

<i>Dr</i> Receivable	£50,000	
<i>Cr</i> Unearned interest		£9,000
<i>Cr</i> Equipment inventory (or equipment supplier, etc)		£41,000

It was indicated in the previous article that the implicit rate becomes a historical rate during the life of the asset. However, adjustment of accounts to incorporate fluctuations in interest rates is part of a larger problem of price-level adjustment, and it is sufficient to note that it applies equally to capitalised lease obligations as other liabilities.

Practical difficulties

A number of practical difficulties in the above procedure can be readily identified. How would the lessor treat any terminal asset value? How would subsequent rental options (peppercorn rentals) be valued and incorporated? These questions contribute to the problem of how much of the asset value and lease is to be capitalised. Consideration of the legal position would limit the extent of capitalisation to the primary period of the lease (ie, the committed part). From an economic viewpoint, this fails to take into account any equity in the asset built up by the lessee whereby secondary lease agreements may be possible, at the end of the primary such that the lease obligations are of lower value than the value of the asset.

The end-value problems apply equally to amortisation procedures. Ideally, the method of depreciation of the asset should be chosen on the basis of the manner in which it reflects the

consumption of the services of the particular asset; but a policy of treating all assets of a given type in a consistent manner may simplify procedures.

Amortisation of the obligation should take into account capital costs which were a major part of its original valuation. For the lease illustrated above this implies the use of annuity depreciation, giving higher interest charges in early years when the finance provided is large and increasing annual reductions in the obligation (reflecting capital repayments) as the interest element in the annual payment declines. At the end of the first year the lessee would record the first lease payment as:

<i>Dr</i> Interest expense [7 per cent of £41,000]	£2,870	
<i>Dr</i> Lease obligation		£7,130
<i>Cr</i> Cash		£10,000

whilst the depreciation of the asset using the straight line method gives:

<i>Dr</i> Depreciation expense	£8,200	
<i>Cr</i> Accumulated depreciation		£8,200

The lessor's entries are:

<i>Dr</i> Cash	£10,000	
<i>Cr</i> Receivable		£10,000
<i>Dr</i> Unearned interest	£2,870	
<i>Cr</i> Interest income		£2,870

The second-year interest expense for the lessee falls to £2,371 (7 per cent of £41,000 less £7,130) and the lease obligation is reduced by £7,629. In subsequent years, the interest elements are £1,839, £1,265 and £655.

UK tax environment

The tax structure in the UK inevitably introduces a number of complexities into the treatment, and any recommendation for lease capitalisation would need to take this into account. In particular, any attempt to achieve direct comparability between a lease and 'borrow, then purchase' arrangement must recognise the treatment of deferred tax in ED15.

Deferred tax is itself an extensive matter. In summary, it can be shown that, where a lessor passes on the full effects of capital allowances, the asset value remains unchanged whether financed by lease or debt, although only the latter includes a deferred tax provision.

Lease capitalisation is often advocated because, although it may not present the legal position, it reflects the economic form. Despite the lack of a legal title, the lessee clearly possesses a property right, perhaps not to sell the asset (a sublet may be possible, however) but typically to have exclusive use of it. That the liability is legally enforceable provides additional support for including both an asset and liability in the balance sheet.

Leased assets fit as well as other assets when defined as 'stores of future services'. However, extending the reporting as assets beyond those which have been legally acquired (whether tangible or not) may well open up a Pandora's Box. The problem for any standard proposing lease capitalisation is either to distinguish the nature of a lease contract from an executory contract, or to recommend a treatment which deals with both in a consistent manner.

A long-term contract for materials is also well fitted to the 'future services' definition and a case can be made for capitalising here. Indeed, it would be useful in assessing a company's future to know the commitments currently made to long-term contracts for material supply. Where would this capitalisation

stop? Should long-term employment contracts be capitalised?

Any standard needs to delineate carefully between leases and executory contracts not to be given the capitalisation treatment. A possible justification for the special approach for leases is that they are, in fact, executed (performed) contracts. Once the physical assets have been delivered, has the lessor completed his part of the bargain? The lessor still has to provide quiet enjoyment of the equipment and must at least remain in existence to enable the contract to be completed. One sugges-

tion is for a separate schedule capitalising all executory contracts.

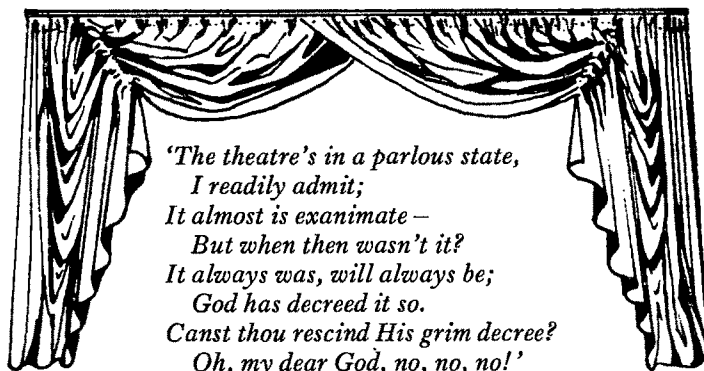
In conclusion, the reporting of leases highlights many of the problems faced by the accounting theorist and the standards boards. A recommendation here must be related closely to a number of other recommendations if consistency is to be maintained. The exposure draft is awaited with considerable interest.

(Concluded)

Angels Unaware

by JOHN M. EAST

The 'Angel', as a financial backer, emerged as a feature of the theatrical scene around the turn of the century. But what are the prospects for such speculation today?



So wrote Max Beerbohm in 1922. His words are applicable today. In 1900 the theatre was at a peak of popularity unrivalled in its history; there were some 340 theatres in Britain, and almost as many music halls.

Touring was big business. Wherever possible, travelling expenses were minimised by choosing towns near to one another. The independent railway companies operated in fierce competition, and offered terms amounting to three-quarters of the ordinary fare for each actor. If the cast numbered over 31, it was customary to allow two trucks free of charge for scenery and props, and some vehicles were specially built for the purpose; big productions like *San Toy* and *The Toreador* averaged 80 passengers and nine trucks of scenery, three of which travelled without payment. In 1902 the Midland Railway Company alone carried over 70,000 theatrical passengers, and *The Belle of New York* was one of several shows with three companies on the road concurrently.

The touring manager took either a guaranteed sum from the theatre owner or a percentage of the gross box office receipts, usually between 35 and 50 per cent according to the drawing power of the production. My grandfather's account book for

1906 shows that, on average, he made a weekly profit of £184 from the Elephant & Castle Theatre; various *Sexton Blake* tours between 1908 and 1913 showed a profit of £13,192. W. W. Kelly toured a drama about Napoleon and Josephine called *A Royal Divorce* from 1892 to 1923 and derived a comfortable income from it; when an actor took over as Napoleon and was uncertain of his lines, it was common for the audiences to give him a prompt! The show would play the same theatres at least once a year throughout those three decades.

Not always welcome

An 'angel' is the current term for someone who backs stage productions. Their existence has been traced at least to 1906 when the musical comedy manager George Edwardes attacked them in *The Era*, a professional journal:

'The natural course of business is interfered with by these entrepreneurs. Nowadays, a portly, respectable, middle-aged stockbroker, with offices in Throgmorton Street and a family in Muswell Hill, finds the cash for West End shows.

Why? Merely because he likes playing manager and giving away private boxes to business clients. He is not there, observe, to make money. He plays theatres just like he plays golf. His cheque book is a buttress for rubbish. A theatrical impresario cannot compete with these wealthy amateurs.'

By the 1920s, faced with rising costs, many managers relied on outside investors, though one who avoided this policy was Prince Littler. He started as manager of the Royal Artillery Theatre, Woolwich, and claimed later that it was largely the success of tours of *White Horse Inn* that gave him sufficient capital to buy up theatres when they were cheap.

In Prince Littler's time there were few union restrictions, the theatre still attracted a wide audience, there were sufficient provincial theatres to make touring profitable, and profit margins were large. Today the outlay on wages, running costs of a theatre, rentals, advertising and royalties have risen astronomically, and VAT increases could mean the end of many theatrical ventures. These expenses have not been offset by increases in the price of seats; it is only subsidies from the Arts Council and local authorities that keep many theatres open.

Today's commercial theatre depends on angels, and they generally respond with an affection that outruns the desire to make money. Estimates for the West End vary; the ratio of financial failures to success is around eight to one.

The mechanics of a production are simple. The management appoints a director, casts the actors, arranges the scenery and music and fixes a theatre. Angels are given a prospectus. Generally, 60 per cent of the profits revert to the backers, so that a £500 unit in a show that costs £30,000 to stage will provide a backer with 1 per cent of the profits. The money raised includes a 25 per cent 'overcall' in case production costs exceed the budget; if the overcall is not needed, angels get their money back earlier. (This sum is also a buffer to sustain a 'flop' until contracts are terminated.) Angels receive regular statements.

Evita is the most successful British musical in London; it cost some £400,000 and tickets are still scarce. *Evita* angels profit only by box office receipts from the London run but, with the theatre playing to capacity, it must be showing a nice return on their original stake. Sometimes angels may get other benefits from a show, including a 'cut' from record royalties, film and TV rights. The Robert Stigwood Organisation, which presents *Evita*, has around 100 investors, some of whom joined the Stigwood gold rush in the 1960s with *Hair*.

'Extremely risky'

John Gale presents *No Sex Please – We're British* which has taken around £2½ million during its run of nine years. The initial cost of £15,000 came from a medical publisher, a retired naval officer, a film company, the authors and a theatrical agent. Mr Gale has been heard to say that theatrical speculation is 'extremely risky – I advise investing £250 in four shows rather than try to make a killing with £1,000 in one production.' An angel who has backed over 400 shows agrees with Mr Gale: he has only broken even and makes the point that, in the USA, losses are tax-deductible, while in the UK there is no relief unless theatre investment is part of one's regular business activity.

One angel has turned impresario – 36-year-old Archie Stirling, son of a wealthy Scottish landowner, who brought *Candida* with Deborah Kerr and *Once a Catholic* into the West End.

In 1970, advertisements appeared in the personal columns of the national press, soliciting backing for stage shows. Two productions subsequently financed by this method were flops. Although new producers provide new investors with a quick entrée into stage speculation, they provide big risks. West End theatre proprietors regard them with suspicion – because the proprietors only break even with the basic rental they charge the producer. Their profits come from a percentage of the gross receipts. This demands long-running, well-managed shows at their theatres, making it wiser to back an established producer.

Cameron Mitchell, now 31, started in the profession 12 years ago as an assistant stage manager with a tour of *Oliver*. He entered management with capital of £250 by sending out two tours of Agatha Christie thrillers. Today he has a list of 50 angels and has successfully presented *Side by Side With Sondheim* and the long-running revival of *Oliver*. There is a glut of revivals in London: the aforementioned *Oliver*, *Family Reunion*, *The King and I*, *Once in a Lifetime*, and *Charley's Aunt* at the Adelphi – now replaced by *My Fair Lady*, which has been on tour, thanks to an Arts Council grant. At the Westminster Theatre, *The Mikado* (first produced in 1885) is to be followed by a revival of *Joseph and the Amazing Technicolour Dreamcoat*. There are to be revivals of *Hello Dolly* and *Irma La Douce*. This dependence on tried favourites is because, at any given time, true innovation always appears uneconomic; by definition, a truly novel idea cannot be adequately assessed in the framework of old ideas.

Industrial backing

Sir Joseph Beecham set a precedent for industrialists going into the theatre; in 1911 he bought the Aldwych Theatre which he ran for eight years. Because his son Thomas talked him into staging operas, he lost a proportion of the money he made from marketing pharmaceutical products.

Recently, commerce has been wooed back into theatrical speculation; the Croydon store, Allders, are backing *Calamity Jane* at the local Ashcroft Theatre. City companies Scotia Investments and Arbiter and Weston have backed shows. Also in the field have been Teacher's Whisky, Berger Paints, the Saab Motor Company and Imperial Tobacco.

An angel's biggest problem remains that of assessing the potential profitability of a show. He is not helped by the cloak-and-dagger secrecy, amounting almost to paranoia, with which some managements hide the profitability of their ventures. One hears that *The Secretary Bird* made a profit of £335,000; *Boeing Boeing* reputedly paid its investors £3,000 for every £100 stake. *The Mousetrap* recouped its cost of £2,803 in the sixth week of its pre-London tour, and 27 years later its profitability has yet to be announced – at a guess, hardly less than £½ million.

There are practical guidelines. A well-known dramatist or an actor of the stature of (say) Alec Guinness will draw the public. Do not back *avant-garde* shows. The break-even figure on popular yet modest comedies and thrillers is much lower than on a musical. If you are attracted to the theatre and can afford to lose a few hundred pounds, invest sensibly and you *might* hit a blockbuster; however, your chances are likely to diminish in the present economic climate.

Incurable optimism is a quality shared by everybody who ventures into the theatrical firmament. My grandfather, John M. East, reminded actors some 70 years ago that 'Many are called; few are chosen.' This dictum can be applied to angels today.

Racing to Success

The appellant company's business was that of cleaning industrial premises. Its managing director set about reorganising the business to improve trade, and decided to cultivate high-quality 'blue chip' customers, which required a lengthy 'courting' process because of the competition in the industrial cleaning sphere. A strong sales team was built up to obtain interviews with the buyers in potential client companies and to promote the reputation and service of the appellant.

It was considered that an advertising campaign conducted through newspapers would be a waste of money, as the type of customer sought by the appellant would not be impressed by such publicity. However, the managing director was aware of the commercial impact of power boat racing and decided to project the company's image by using its name in that context. He therefore consulted a commercial artist, who advised the purchase of a bright yellow boat bearing the legend '20th C Racing' followed by a human figure referred to as 'the little guy'. He suggested that the boat should be called 'MAC 1' - a reference both to the speed of sound and to the familiar name of the managing director.

The appellant bought a power boat, and the director obtained a power boat licence. As a member of the 'Off-Shore Power Boat Racing Association', he met many useful contacts, and began to race the boat. On one occasion the boat obtained 15 minutes of TV coverage, when the name of the company and the managing director were prominently displayed. Considerable publicity was given to the boat in the local press and sporting magazines, and the BBC 'Nationwide' programme showed some interest in it. Many well-known people came to watch races, including prominent members of client companies.

Although it could not be said that this publicity had specifically resulted in any new contracts, the managing director was convinced that it had been of considerable benefit to the appellant's business. Buyers were impressed by the

appellant's racing record, and it was useful publicity when contracts fell due for renewal.

Two questions had to be considered by the London VAT Tribunal: was the powerboat supplied for the purpose of a business carried on by the appellant and, if so, were the services of racing and maintaining the boat supplied for the same business? On the facts, the Tribunal answered both questions in the affirmative.

Whatever the commercial results of the power racing, the sole intent of the managing director had been to promote the name and business of the appellant company. The fact that he enjoyed racing was beside the point, as was the opinion of the Commissioners of Inland Revenue in respect of the boat for corporation tax purposes. The claim of the Commissioners of Customs and Excise, that there was an insufficient nexus between marine activities and industrial cleaning, was rejected along with the submission that the racing had failed to have any real influence on the promotion of the business.

20th Century Cleaning and Maintenance Co Ltd v. Customs and Excise (LON/79/89, August 22nd).

NEW SERIES OF CTT REPORTS

Court decisions in capital transfer tax appeals will in future be published by the Inland Revenue in a new series of leaflets to be called 'Capital Transfer Tax Leaflets'. These leaflets will be individually numbered and may be cited as 'CTTL' followed by the appropriate number.

In form, the CTT leaflets will be similar to other Inland Revenue leaflets. The CTT leaflets will contain details of the case stated (or other proceedings) and, where appropriate, a report of the argument. It is not proposed to issue, for capital transfer tax cases, separate reports in which reports of all hearings of a case are bound together.

The series will include Scottish and Northern Ireland decisions and future estate duty cases which are relevant to

CTT. The following are the first four leaflets to be issued:

CTTL 1: *Von Ernst & Cie and others v. CIR*.

CTTL 2: *Fourth Duke of Westminster's Executors v. Ministry of Defence*.

CTTL 3: *Pearson and Others v. CIR* (High Court).

CTTL 4: *Pearson and Others v. CIR* (Court of Appeal).

Copies of the leaflets, which will be individually priced, may be ordered from HM Stationery Office.

BULK SUPPLY OF VAT FORMS

Following discussions between Customs and Excise and the Consultative Committee of Accounting Bodies, a relaxation has been agreed in the restrictions on the issue of bulk supplies of VAT registration material. Local VAT offices will issue on request to professional advisers up to six months' supply of forms VAT1, VAT2 and VAT4 and a new Customs and Excise booklet 'Should I be Registered for VAT?' without the present requirement for the accountant to give a written undertaking to inform his client of his responsibilities in VAT matters.

The purpose of the new booklet, to be published by Customs and Excise this autumn, is to help traders to decide whether they need to apply to be registered. To this end it gives a simple explanation of the tax and tells traders what they must do.

DOUBLE TAXATION

United States of America

Instruments of ratification of the new double taxation convention covering capital transfer tax and the equivalent US duties were exchanged in Washington on October 11th, 1979. The convention will enter into force on November 11th, 1979.

The new measure covers taxes on the estates of deceased persons and on gifts. It is not related to the proposed new convention between the two countries for the avoidance of double taxation on income and capital gains, the Third Protocol to which has still to be considered by the House of Commons.

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

PARTNER DESIGNATE. WEST END c. £10,000

Small established Practice are seeking the above. Ideally someone with a large Firm background wishing to grow with the Firm.

AUDIT SUPERVISOR. CENTRAL c. £8,000

Medium/Large Firm are seeking the above. Ideally someone who is wishing to grow within this splendid Firm.

AUDIT SENIOR. WEST END c. £8,500
Medium Firm are seeking the above. Ideally someone with larger type of background. Excellent Firm with first-class Partners.

INTERNAL AUDITOR to £12,000 plus car
Required by International trading company for U.K. and Ireland operations. London based.

ASSIST MANAGER SMALL AUDITS. CITY to £8,000
Medium Firm are seeking someone for the above position. Ideally someone who is wishing to make a career in Small work.

N.Q.A.C.A. CITY c. £7,500
Medium Firm are seeking a Newly Qualified. Ideally with a good exam record who is seeking a long-term career with prospects.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

**3 Partner Firm
London W9**

**Require Senior Audit
Staff**

**Write
The Staff Partner
Stone Joseph & Co
397 Harrow Road
London W9 3NP**

STOPPED SWOTTING? START SHOPPING

for a better job now!

NEWLY QUALIFIED
Profession up to £7,500
Commerce up to £8,000

PEII (FAILED)

Try again - earning £6,000 + courses + study leave. For details of jobs ranging from £4,000-£10,000 contact us now!

Blessed & Co

1 NEW BURLINGTON ST. LONDON W1

01-734 5156

Weybridge

Chartered Accountants

require audit seniors, not necessarily qualified, salary up to £7,000 per annum and semi-seniors, salary up to £5,500 per annum.

Please write with brief details to Firth Floyd, The Centre, 50-68 High Street, Weybridge, Surrey KT13 8BN or telephone Weybridge 51317.

BOOK-KEEPERS BUREAU

**OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR**

- * **BOOK-KEEPERS**
- * **ACCOUNTS CLERKS**
- * **WAGES CLERKS**
- * **MACHINE OPERATORS**

**TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS**

**39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676**

**118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441**

TRAINING OFFICER

Rowley Pemberton Group Services

Rowley Pemberton Group Services undertake practical professional training for a national association of accountancy practices, as well as other firms, and are looking for an enthusiastic Chartered Accountant to be part of a small team running the courses for both students and qualified staff. Previous experience in lecturing is not essential, but an interest in training and an outgoing personality are most important. The salary will depend on age and aptitude.

Applications should be in writing to:

**J. G. Collard
Rowley Pemberton Group Services
19/23 Ludgate Hill
London EC4M 7PD**

Experienced Accountant Salary Circa £7,000 p.a.

Partnership available within two years.

Reply: Lawrence Woolfson & Co
Chartered Accountants
Oxford House
9-15 Oxford Street
LONDON W1R 1RF

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries
£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates
Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891
Licensed in accordance with the Employment Agencies Act.
Our service to applicants is personal, confidential and free

INDUSTRY • PRACTICE • INDUSTRY • PRACTICE • COMMERCE • PRACTICE • INDUSTRY • PRACTICE • COMMERCE

TAX PARTNER (DESIGNATE) C. LONDON £13,000
Tax Partner of Twenty partner firm requires a Tax Manager with well-rounded experience to enhance and control the services of the department.

POTENTIAL PARTNER C. LONDON £12,500 + car
Three partner firm needs an enthusiastic Manager to contribute a professional service to clients mainly in service industries and professions.

AUDIT MANAGER WEST END £11,000 + car
Eleven Partner London practice seeks an energetic ACA (male or female) to control a portfolio of larger clients. Partnership prospects are available.

PA TO PARTNER C. LONDON £10,000
Senior Partner of five partner firm seeks an ACA as a genuine assistant. Definite early prospect of partnership.

MANAGER CITY £10,000
Medium sized practice requires experienced Manager to control the Small Clients department.

PA TO PARTNER C. LONDON £9,000
Twenty Partner firm seeks a Personal Assistant for a Partner in one of the Groups (Audit and Accountancy). Special Investigations are part of the overall specification.

ASSISTANT MANAGER CITY £8,750 +
Expanding Nine partner practice needs a young ACA eager for involvement, responsibility and promotion to Manager within the short term.

PA TO PARTNERS CITY & WEST END To £8,500
AUDIT SENIORS To £8,000
NEWLY QUALIFIED To £7,500
FINALISTS c £6,000

Contact John R. Ellis, FCA on 01-405 3499

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499

PROVINCIAL OFFICES

SOUTH MANCHESTER £6,000
– Manager, Profitable Smaller Practice –
MANCHESTER £4,750
– Finalist, Local Practice with National Connections –
MANCHESTER £6,000
– A.C.A., Full Training with Top International –
Ring Manchester office: (061) 834 9733

WEST WALES c. £6,000
– A.C.A., Partnership Prospects –

WEST GLAMORGAN £Neg
– A.C.A./Finalist, Thriving Practice –

SOUTH GLAMORGAN c. £6,000
– Young A.C.A., Potential Partnership –
Ring Cardiff office: (0222) 371446

NOTTINGHAM £9,000 + Car
– Audit Manager. Major Public Groups –

NOTTINGHAM £6,750
– Supervisors, Recently Qual, Audit/Tax –

DERBY £6,500
– Supervisor. Accounting Services – Tax –

BOSTON £5,750
– Newly Qual, Accounting Services, Tax –
Ring Nottingham office: (0602) 582939

EAST MIDLANDS Partners Designate – £9,000

KETTERING – Tax Manager, 2 yrs Qual – £8,500

NORTHAMPTON – Newly Qual. – £7,000

LEICESTER – Part Qual., Internal Audit – £6,250

LEICESTER – Unqual Audit Senior – £6,000

Ring Leicester office: (0533) 542693

WEST YORKSHIRE to £9,000 + Car
– Audit Manager. National Firm –

WEST YORKSHIRE to £8,000
– Partnership Secretary, Growing Practice –

WEST YORKSHIRE to £8,000
– Training Accountant, Medium sized Practice –

LEEDS to £7,000
– Audit Supervisor, Growing Local Firm –

LEEDS c. £6,000
– Partnership Prospects, Small Practice –

Ring Leeds Office: (0532) 38384

SHEFFIELD – Newly Qual. A.C.A.'s – c. £6,000

SOUTH YORKSHIRE c. £6,000
– Partnership Prospects –

Ring Sheffield office: (0742) 738775

WOLVERHAMPTON c. £6,500
– Qual./Unqual. Senior, Local Practice. Variety of assignments –

DUDLEY £6,000
– Assistant to Partner. Variety of work –

WEST BROMWICH c. £5,000
– Personal Tax Assistant. Will consider persons from I.R. –

NUNEATON £6,750
– Audit Senior, Recently Qual./Finalists. Study Assistance –

BIRMINGHAM £6,500-£8,000
– Computer Audit, International Firm –

COVENTRY to £7,250
– Audit Supervisor, own small team. Partnership Prospects –

BIRMINGHAM to £5,500
– PE2 Finalists, Broaden your experience. Local Firm –

Ring Birmingham office: (021) 634 6201

Accountancy Personnel

Recruitment Specialists
to the Profession



Topcare

Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

AUDIT

AUDIT MANAGER, EC2 c. £11,000
International firm requires an A.C.A. with experience gained with a medium- or large-sized firm.

AUDIT MANAGER, EC1 to £12,000
Could be partnership prospects for the right person. Medium-sized practice with very varied clients.

NEWLY QUALIFIED/FINALISTS to £8,500

Too many posts to give individual details. Whether you seek to join a small, medium or large International firm or are not sure what is the best move to make, we will be most happy to advise and assist you.

PARTNERSHIP PROSPECTS, EC2 £10,000+

Very friendly four-partner firm in the City offer a most interesting and rewarding position, with definite partnership prospects, to a well experienced and ambitious A.C.A.

P.A. TO PARTNER, EC2 c. £10,500
Excellent medium-sized firm require an A.C.A. who has acquired good knowledge and experience since qualifying in order to progress with the firm.

AUDIT MANAGER/P.A., EC4 c. £9,500
Qualified A.C.A./A.C.C.A. with a few years' post qualification experience is sought by this medium-sized, well-organised practice. Excellent prospects.

SENIORS/SEMI-SENIORS £5,000-£9,000

We have more vacancies than ever on our register for experienced Audit staff. Just let us know your requirements - we know we have just the job for you.

INSOLVENCY MANAGER, WC1 £15,000+car

A well experienced Insolvency Manager is sought by this large International practice. Preferably qualified.

A.C.C.A.s
Several of our clients are seeking recently qualified A.C.C.A.s with some professional office experience.

OFFICE MANAGER, EC2 c. £6,500
To handle the office management and book-keeping of a medium-sized firm of Chartered Accountants. Previous professional office experience essential.

JUNIOR/SEMI-SENIORS, W1 £4,000+

Small general practice seeks young Audit clerks, preferably part qualified. Very mixed audit, accountancy and taxation experience to be gained with this firm.

TAX

MANAGER (COMPANY), W1 c. £9,500
International firm of repute seeks well-experienced Company Tax Manager. Preferably ATII.

MANAGER (PERSONAL), WC2 c. £9,500

Excellent opportunity to join large firm and deal with really interesting personal tax cases.

TAX MANAGER, WC2 c. £9,000
Opportunity to join a medium-sized and well-established practice. Very good knowledge and experience required.

ASST. MANAGER, W1 £8,000+
Our clients are within easy reach of Marble Arch Station. They are of medium size and require someone with previous professional office experience.

SENIOR, W1 c. £8,000
This small firm require a lady/gentleman who is able to handle a wide variety of tax cases.

CO. TAX SENIOR, EC2 c. £8,500
Substantial City firm require a person who has been dealing with company taxation for a few years. Not necessarily qualified.

SENIOR, EC3 to £7,000
Excellent opportunity for ex-T.O.(H.G.) to join a go-ahead practice where every encouragement will be given to progress.

SEMI-SENIOR, EC2 to £7,000
Personal Taxation experience is sought although there will be the opportunity to deal with company taxation at a later date.

SENIOR, EC2 c. £7,000
To work directly with the Personal Tax Manager of a substantial and well-organised City firm.

ASSISTANT, W1 c. £5,500
Very suitable position for a young person with two or three years' experience of personal taxation.

JUNIOR ASST., WC1 c. £4,500
Large firm with substantial Personal Tax Dept. requires a young lady/gentleman with a year or two's experience of personal tax.

TRUST STAFF

ASSISTANTS/SENIORS £5,000-£7,500

There are numerous vacancies at this level for those with experience in the field of Trust Accountancy. Too many to list. They are with firms of all types and sizes and in all areas of London.

PROVINCIAL

AUDIT STAFF

Aylesbury - A.C.A. Senior - to £7,250
Banbury - Semi-Senior - c. £4,500
Bedford - P.A. to Partner - to £6,500
Bournemouth - Senior. A.C.A. - £NEG
Bradford - Mng. A.C.A. - c. £7,000+car
Bury St Edmunds - Semi-Senior/Senior - £5,750

Edinburgh - Seniors. C.A./A.C.A. - c. £6,000

Glasgow - Qual. Senior - £5,500+

Ipswich - A.C.A. or Finl - to £5,750

Kettering - Mng. A.C.A. - to £9,000

Leeds - A.C.A. Senior - £NEG

Leeds - Unqual. Senior - c. £4,500

Maidstone - Semi-Seniors - £NEG

Mitcham - N.Q. A.C.A. - to £6,500

Newcastle - Asst Mgr. A.C.A. - £7,000+

Northampton - Senior. A.C.A. - c. £6,000

Oxford - Senior. A.C.A. - to £8,000

Portsmouth - N.Q. A.C.A. - £NEG

Rye - P.A. to Ptnr. P/ship - c. £8,500

Southall - Mng. P/ship prospects - to £8,000

Southend - P.A. to Ptnr - c. £7,000

Swindon - Senior. A.C.A. - to £7,000

Trowbridge - N.Q. A.C.A. - to £6,500

Wembley - N.Q. A.C.A. - £6,500+car

Weybridge - Seniors - to £9,000; Semi-Seniors - c. £5,500

Yeovil - N.Q. A.C.A. - £6,000

TAXATION STAFF

Aldershot - Tax Manager - £NEG

Bedford - Mng. A.C.A./A.T.I.I. - £NEG

Birmingham - Personal Tax - £5,500+

Birmingham - Corporate Tax - c. £6,500

Bradford - Tax Senior - c. £6,000

Bromley - Tax Junior - c. £3,000

Croydon - Tax Assistant - £NEG

Esher - Personal Tax - £NEG

Evesham - Personal Tax - c. £5,500

Harrow - Corporate Tax - c. £6,500

Hertford - Personal Tax - to £7,000

Hexham - Personal Tax - £6,000+

High Wycombe - Tax Spvrs - to £8,000

Kettering - Tax Mng. - to £8,500

Mitcham - Personal Tax - to £7,500

Newcastle - Corporate Tax - £6,000

Petersfield - Personal Tax - £5,500+

Portsmouth - Personal Tax - £5,500+

Preston - Personal Tax - £6,000

Reading - Personal Tax - £5,000+

Sidcup - Tax Assistant - c. £4,500

Thornton Heath - Personal Tax - to £8,500

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

AUDIT SENIORS AND SEMI-SENIORS

We are a well-established firm of Chartered Accountants in Harrow and require qualified staff to supervise larger private company and partnership audits and also to finalise the work of junior staff. The work is of wide and interesting variety and also includes corporate taxation and accountancy.

We will pay excellent salaries to successful applicants of the right calibre.

Enquiries are also invited from applicants in final stages of qualifying.

Please telephone **W. Colletts at 01-427 9741**, or write to:

Nunn Crick & Bussell
13 St John's Road
Harrow
Middlesex
HA1 2DF



Farm and Estates Accounts Manager to £9,000

West Sussex/South Hants Borders appointment with established country town firm seeking Manager 35-45 with in-depth experience of farm and estates accounts and Taxation.

Ref W.90

WESSEX CONSULTANTS
2 PETER STREET, YEOVIL, SOMERSET
TEL: 0935 25996/0935 25183



Mature Manager Brighton £6,500

Independent small but expanding firm seeks mature Manager 30-45 well experienced in small general practice and taxation work. Should currently be in the profession and seeking responsible appointment.

Ref S.178

WESSEX CONSULTANTS
2 PETER STREET, YEOVIL, SOMERSET
TEL: 0935 25996/0935 25183



INSOLVENCY

SENIORS & SEMI-SENIORS

to £12,500 p.a.

Our clients, a progressive, fast expanding West End firm of Chartered Accountants, are seeking to recruit experienced insolvency staff.

The successful candidates (M/F) not necessarily qualified, will join a newly formed department which offers an excellent 'ground floor' opportunity.

For full details telephone 01-836 9501 or write to Richard Norman F.C.A., 410 Strand, London WC2R 0NS.

DOUGLAS LLAMBIAS

Douglas Llammbias Associates Ltd.
Accountancy and Management Recruitment Consultants

and at 121 St. Vincent St., Glasgow G2 5HW (041-226 3101)
3 Ccates Place, Edinburgh EH3 7AA (031-225 7744)



PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+.- Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

A LONDON W1 firm of accountants, superbly situated attractive spacious offices, are looking for a young chartered accountant to join them for a preliminary working period prior to partnership. - Write Box AL 2954.

... and if you are a competent senior who wishes to work in a small firm, London NW6 (staff eight) on larger jobs including the tax at a good salary with excellent prospects. - Write Box AI 2955.

A RAPIDLY expanding West End practice require semi-senior clerks with sound basic training. It is envisaged that successful applicants will rapidly enhance their career development and assume responsibilities commensurate with their ability. - Salary dependent on age and experience Box AR 2971.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agt.).

C.A.s West Country and South Wales require qualified manager 25-35. Mixed practice. No specialist department. Salary circa £7,000+ commencing. Possibility of partnership. - Box CA 2982.

CHARTERED ACCOUNTANTS, CHESHAM, BUCKS, require chartered accountant with at least two years' post-qualification experience, good knowledge of taxation and incomplete records. Partnership prospects after short period to successful applicant. Commencing salary £8,000 per annum. - Write full details to Box CA 3003.

CHARTERED ACCOUNTANTS. - Edgware, require junior and semi-senior audit and accounts staff for small, modern and expanding practice. Good terms and facilities. - Please Tel. 01-951 0888.

CHARTERED ACCOUNTANTS returning from overseas immediate opportunities in Avon, Berks, Somerset and Sussex. - Contact Wessex Consultants, 2 St Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

CHARTERED ACCOUNTANTS in South West London require a person to act as partners' assistant and to manage a selection of cases, including taxation, on own initiative. Preferably qualified with at least two years' post-qualification experience but an unqualified person of long experience might be considered.

Salary envisaged £6,000 to £8,000 plus benefits, according to age, qualifications and experience.

Send c.v. to Box CA 7186.

CHARTERED ACCOUNTANTS, UPMINSTER, ESSEX, seek accounts assistant, not necessarily qualified to deal with all aspects of accounts. Excellent salary and prospects. Tel. Upminster 50979 or 25367.

CHINGFORD CHARTERED ACCOUNTANTS moved from City have vacancies for accountancy and audit staff. Varied and interesting work, salary negotiable. - Box CC 2983.

EAST LONDON chartered accountants due to continuing expansion now require an additional partner excellent prospects for the right candidate. - Please reply Box EL 2975.

EXPERIENCED SENIOR required by accountants in Bexleyheath, must be familiar with personal/company taxation and incomplete records together with ability to audit medium-sized limited companies. - Telephone 01-304 8334/5.

FAST DEVELOPING chartered accountants in County Durham require seniors, not necessarily qualified. An interesting and wide variety of work including computerised incomplete records. Salaries in the range £4,000 to £7,000. A car may be provided. - Box FD 2992.

FED UP. - Need a change, then why not come to us on the lovely South Coast where you will find rewards more than matching effort. We are a progressive firm of accountants looking for qualified staff and prepared to offer the right applicants good salaries, B.U.P.A. membership, contributory pension scheme, C.P.E. facilities, long-term rewards, etc., in a pleasant working environment. - Apply the Staff Partner, Hamilton & Wilton, 28 Wilton Road, Bexhill-on-Sea, East Sussex.

CANTERBURY OFFICE of a firm of Chartered Accountants requires two qualified or near qualified accountants to act as Personal Assistants to Partners. We are a branch of a national firm and can offer varied and interesting work with in-firm C.P.E. training. There is always the possibility of a future partnership for the right individual and our salary structure is probably above average. In addition, there are numerous additional benefits offered to permanent staff.

For further information write to MacIntyre Hudson, 32/33 Watling Street, Canterbury, or Telephone Canterbury (0227) 54861.

Reading Chartered Accountants seek

lively young qualified persons to act as personal assistants to senior partners at both the Reading and Basingstoke offices of their long-established busy general practice. Excellent opportunities for the right men or women. Usual terms of employment. Salary by negotiation.

Please write in the first instance to the Staff Partner, **Ernest Francis and Son, Somerset House, Blagrove Street, Reading, Berkshire**, giving full details of education and experience to date.

HIGH SALARY will be paid by a small firm of C.A.s in NW London to a competent senior who specialises in tax. — Reply Box HS 2976.

JUNIOR AND SEMI SENIOR audit staff required by a four partner firm of Islington accountants. Salaries are negotiable according to age and experience. — Please telephone Mr Ellahee at 01-837 6301.

MID-CORNWALL

Chartered Accountants require newly qualified or PE2 finalist initially to assist partner and eventually to take charge of a number of cases.

Applicants must have had extensive experience of the preparation of accounts and taxation of small private companies, sole traders, and partnerships.

The practice is located in close proximity to attractive rural and coastal surroundings and a competitive salary together with good prospects are offered to the right applicant.

Applications in writing to Trudgeon, Haling & Co, 42a Fore Street, Bodmin, marking the envelope confidential.

NORTH DEVON CHARTERED ACCOUNTANTS seek A.C.A. under 35 for their expanding two office firm. Able person, capable of controlling variety of clients and well experienced in rural practice work. Partnership 1981-82, c. £7,500. — Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel. 0935 25996/25183.

OFFICE MANAGER

Not Necessarily Qualified

Required by Chartered Accountants with offices adjacent to Harrow Metropolitan Line Station. Experience of finalisation of accounts and staff organisation essential. Non-contributory pension scheme after one year. Salary c. £6,500. — Apply to The Staff Partner 01-427 2876.

PERSONAL TAX ASSISTANT

Full- or Part-Time

Required by Chartered Accountants in Harrow. Experience of P.A.Y.E., Schedule D and C.G.T. essential. Salary negotiable. — Apply The Staff Partner 01-863 1081.

RETIRED PERSON wanted one day mid-week to produce profit and loss accounts from incomplete records. £2.50 per hour approx. — Wembley Box RP 2978.

£9,000 per annum

We are a firm of Certified Accountants acting mainly for substantial private companies, some with several subsidiaries or associated companies, and we require a really professional senior to lead our audit staff and complete accounts. The right person should have full knowledge and experience of current accountancy and audit practice and all forms of taxation for finalising accounts of proprietary companies, and to work directly with the partners.

Write with full details of age qualifications and experience to **The Senior Partner, T. H. Hazlem & Company, 29 Dering Street, London W1R 9AA.**

PROSPECTIVE PARTNER. — This expanding two-partner firm with a wide range of work needs an A.C.A. with good all-round experience to accept responsibility for a block of clients. There are excellent prospects of advancement which should lead to partnership for the right candidate. — Please send full personal and career details to Brough Postlethwaite & Co, 11-13 Thorne Road, Doncaster.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. — Box QO 6397.

SEMI-SENIOR required by City accountants. Contact Qureshi and company 01-638 3815. Good conditions with experience of computers available.

SEMI-SENIOR

We are a small but interesting firm of Chartered Accountants tending to specialise in the accounts and taxation of a theatrical and musical clientele. Our offices overlook Clapham Common but are close to the Underground. We offer an opportunity for wide experience and responsibility to a semi-senior with good experience of incomplete records and small companies.

Prospects are excellent for the right person and a good commencing salary will be paid depending on experience. Phone M. J. Dunbar 01-622 3426.

SENIOR AND SEMI-SENIOR audit staff required by West End chartered accountants. Top salaries offered. — Box SA 2958.

SENIOR AND SEMI-SENIOR AUDIT STAFF urgently required by West End chartered accountants. Interesting and varied work in friendly and expanding practice. Good salary and training offered. — Write Box SA 2961.

SMALL FIRM of chartered accountants in North West London require semi-seniors and a senior unqualified audit clerk. Good salary and long-term prospects with comfortable working conditions in an easy going office. — Box SF 2996.

SOUTH BUCKS C.A.s require experienced chartered accountant for small practice offering good prospects of early partnership. — Write Box SB 3006.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

LONDON W.1.

£8,000 per annum

Able Senior required, not necessarily qualified, to lead a small team auditing proprietary companies. Need not be experienced in tax, as that work will be done by partners, but must be well experienced in audits with good working papers and schedules, which can be relied upon by the Partner completing the accounts. Ample opportunity for progress.

Write fully with age and experience Box LW 30872.

SOUTH-WEST LONDON firm of accountants seek seniors/semi-seniors. Experienced in the preparation of accounts and small to medium audits. Salaries negotiable. — Tel. 01-870 4309 or 01-870 7894.

TAX SENIOR at a good salary required by a small firm of C.A.s, London NW. To take charge of a variety of interesting cases. — Reply Box TS 3021.

THREE-PARTNER FIRM C.A.s, London W1, require unqualified senior assistant, to work in a friendly and expanding young practice. — Box TP 2959.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. — 01-405 4457.

WEST END CHARTERED ACCOUNTANTS seek senior and semi-senior audit staff. — Write giving details of experience and salary requirements to Box WE 3008.

YOUNG CHARTERED ACCOUNTANT, preferably newly-qualified, required as office manager in a two-partner branch office of a substantial provincial practice in Herefordshire market town. Knowledge of incomplete records essential. Very competitive salary and removal expenses with full equity partnership prospects in two/three years. — Box YC 3009.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. — Write Box AC 2997.

ARTICLES/TRANSFERS from £3,250. — Pembroke & Pembroke operate a national service. — Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

TRANSFERS AVAILABLE for good students at all levels. Our client is a large City practice. Competitive salaries plus good student benefits. — Brian Ingram Associates. 01-458 5313.

WEST END CHARTERED ACCOUNTANTS seek articled clerk to work under direct supervision of partners. Transferee considered. — Please write with full details to Box WE 2980.

WEST END CHARTERED ACCOUNTANTS urgently require articled clerks. Thorough training and good progressive salary. — Write Box WE 2962.

Please mention this
Supplement when
answering
Advertisements

COMMERCE & INDUSTRY

Large NW public company

engaged in manufacturing of clothing require a qualified Chartered Accountants to take control of all financial costing and management accounts.

Applicants should be aged 30-40 with some commercial experience and will be required to work in the Manchester area.

Salary and terms will be negotiable depending on experience. Box LN 30873.

MERCHANT BANKING

Newly qualified Accountants who are considering a career in merchant banking are invited to write to the Staff Manager for further information.



BROWN SHIPLEY & CO. LIMITED

Founders Court,
Lothbury, London, EC2R 7HE

GABRIEL DUFFY (CONSULTANCY)

29 Thurloe Street
London SW7 2LQ
01-581 0895

INTERNAL AUDIT U.K. & OVERSEAS c. £9,500

Qualified Accountant for International Oil Company. Based in London, he will spend approximately 60% of his time travelling abroad – mainly Europe, possibly Bermuda and Japan. Experience of flow chart evaluation and statistical sampling techniques essential. Age: 28 up to early 40's.

P.A. TO PARTNER JERSEY £8,000-£10,000

Entrepreneurial Practitioner in his mid-thirties requires an ambitious Right-Hand Person. Solidly expanding portfolio of clients, with a bias to general practice rather than pure audit. Good partnership prospects in one to three years. Ideal age: 26-32. Accommodation (single or married) available. An excellent opportunity – and remember the moderate Channel Isles income tax!

AUDIT MANAGER LAGOS £EXCELLENT

Qualified Chartered Accountant for flourishing Nigerian Practice of a top international firm of C.A.s. The ideal candidate will be a Graduate, trained with another large firm. Career prospects are superb, including partnership in the medium term.

FINANCE MANAGER LIBYA To £15,000

No. 2 to Admin & Finance Director. Applicant should have a minimum 4 years experience as a Chief Accountant, or Financial Controller, or Audit Manager. – In large companies, preferably in the engineering and contracting fields. Fluency in Arabic essential.

ACCOUNTANT CITY £8,000-£10,000

A rapidly expanding firm of Insurance Brokers requires a young Qualified Accountant to take charge of all internal accounts and related matters. – Firm currently computerising.

INVESTMENT DEPT MGR CITY C.A.s £7,500-£8,250

Young Qualified (Female or Male) Chartered Accountant, to specialise in auditing and accounts of companies buying/selling stocks, shares and property. Supervision of 4 Assistants.

ACCOUNTANT LONDON E15 £8,000 + CAR

No. 2 to Financial Director. To take charge of entire accounting function and assist in computerisation. Staff of 6.

ACCOUNTANT HIGH WYCOMBE £7,000 +

Qualified, or unqualified experienced Person. Age 28-30. New post heading small accounts dept., progressing to Financial Controller in 2/3 years. Mfg Co.

AUDIT MANAGER WEST END £10,000+
A.C.A./A.C.C.A. or experienced in profession, Audit/Accountancy, no tax. Supervise two.

FINALISTS/NEWLY QUALS. W1 to £7,500
Two seniors for general practice work. Small firm.

Investment Dept. MANAGER CITY to £8,250
A.C.A., under 30 to specialise. Assist companies dealing stocks/shares/property.

AUDIT SUPERVISOR WC1 c. £8,000
Two years' P.Q.E. or several years' professional experience. Clients throughout U.K. Ex. medium firm.

QUALIFIED SENIOR W2 £7,000-£9,000
Rapidly expanding lively firm for audit/general practice work.

SENIOR W1 to £7,000
Small friendly firm. Interesting and challenging workload. Not necessarily qualified.

AUDIT MANAGER EC2 c. £9,500
Preferably A.C.A. Audits of substantial private companies. Medium firm.

P.A. to Partner WC2 £8,500
One/two years' P.Q.E. Excellent opportunity in six-Partner firm.

AUDIT SENIOR WC1 to £8,500
Possibly finalist but A.C.A. preferred with large audit experience. Four-Partner firm.

AUDIT MANAGER EC2 £10,000 + Car
A.C.A., medium firm background. Medium/large firm. Highly progressive.

AUDIT SENIOR WEYBRIDGE
To £7,000. Not necessarily qualified. Small firm.

P.A. TO PARTNER WEMBLEY
c. £6,500 + Car. Preferably newly qualified A.C.A.

AUDIT CLERKS NORWICH
£Neg. Seniors and Semi-seniors. Excellent large firm.

SENIORS ESHER
£London Rates in Office of London firm. Car provided for Qualified A.C.A.

MANAGER MANCHESTER
£8,500 + Car. A.C.A. for Audit and General Practice. Excellent early prospects of Partnership.

Evenings/weekends ring Slough 46539.

GDC

KENSINGTON

01-581 0895

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TECHNICAL DEPARTMENT London MANAGER

A leading national practice with approximately 2,500 partners and staff servicing in excess of 50 offices wishes to recruit a manager for their technical department in London

Ideally candidates will be 3 years qualified with an interest in spending a further two years in this department. The work involves both solving the day-to-day technical queries within the Practice submitted by various offices and dealing with 'one off' research projects - e.g. assessing the effect of European Law on the U.K. company.

It is envisaged that for the right individual future prospects within the Practice will be good. The salary and benefits offered are negotiable.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

GENERAL PRACTICE Assistant Manager

Owing to the increased activity within the 'small audit' department of a large London firm, our client intends to recruit a general practice specialist at assistant manager level.

Whilst formal qualifications are not essential, candidates must be experienced in a wide range of general practice clients from individuals and small partnerships to the small- and medium-sized close company. Experience of personal taxation would be advantageous although there is a separate personal taxation department.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

CAREER DEVELOPMENT PUBLIC PRACTICE

ALDERSHOT	General Practice	£7,500
AMERSHAM	P.A. to Partner	£8,000
ASHFORD	Prospective Partner	£8,000
AYLESBURY	Mixed Portfolio	£7,250
BARNET	Audit/Accounts	£7,500
BARNESLEY	P.A. to Partner	£6,750
BASILDON	Audit Manager	£7,500
BASINGSTOKE	Prospective Partner	to £10,000
BATH	General Practice	£7,000
BEACONSFIELD	Newly Qualified	£7,000
BECKENHAM	Audit/Accountancy	£7,000
BEDFORD	Audit Asst Manager	£7,500
BEXHILL	Prospective Partner	£8,000+
BIRMINGHAM	International Firm	£6,750
BIRMINGHAM	Local Practice	£7,000
BISHOP'S STORTFORD	P.A. to Partner	£NEG
BOURNEMOUTH	National Firm	£NEG
BRACKNELL	Prospective Partner	to £10,000
BRADFORD	Gen. Prac./Manager	£7,000+ car
BRENTWOOD	Audit Manager	£7,500
BRIGHTON	Prospective Partner	£9,000
BRISTOL	Prospective Partner	to £10,000
BROMLEY	Audit Manager	£8,500
CAMBRIDGE	Audit Seniors	£7,000
CANTERBURY	P.A. to Partner	£7,000
CARDIFF/NEWPORT	International Firm	£NEG
CHELMSFORD	London Firm	to £7,500
CHELTENHAM	International Firm	£7,000
COLCHESTER	Local Firm	£6,500
COVENTRY	P.A. to Partner	£7,000
CROYDON	Audit Supervisor	£9,500
DERBY	Local Firm/Finalists	£5,000
DOUGLAS, L.O.M.	Brochures Available	£NEG
EASTBOURNE	Prospective Partner	£8,000
EAST GRINSTEAD	P.A. to Partner	£7,500
EDGWARE	P.A. to Partner	£8,500
ENFIELD	General Practice	£8,000
FARNHAM	P.A. to Partner	£6,000
GLOUCESTER	International Firm	£NEG

In the first instance telephone

01-2

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT,

PRACTICE APPOINTMENTS)

VELOPMENT - UNITED KINGDOM

GUERNSEY/JERSEY	Various Vacancies	£8,000
GUILDFORD	Audit Manager	£7,500
HARROW/WEMBLEY	P.A. to Partner	£8,000
PERTFORD	Tax Senior	£7,000
HIGH WYCOMBE	Prospective Partner	to £10,000
HITCHIN	P.A. to Partner	£6,500
HOUNSLOW	General Practice	£NEG.
HUDDERSFIELD	Local Firm	£6,000
HULL	Medium Firm	£6,000
ILFORD	Personal Tax	£7,500
IPSWICH	Assistant Manager	£9,000
KETTERING	Audit Manager	to £9,000
LEAMINGTON	P.A. to Partner	£6,500
LEEDS	Two Year Qualified	£NEG.
LEICESTER	Local Firm	£6,500
LIVERPOOL	International Firm	£NEG.
LONDON WC2	P.A. to Partner	£9,000
LONDON EC1	Assistant Manager	£9,500
LONDON W1	Audit Supervisor	£8,500
LUTON	P.A. to Partner	£7,000
MAIDSTONE	Local Firm	£NEG.
MANCHESTER	International Firm	£6,500
MANCHESTER	Prospective Partner	to £10,000
MIDDLESBROUGH	Medium Firm	£NEG.
NEWCASTLE	General Practice	£5,700
NORTHAMPTON	Seniors	£NEG.
NORWICH	Audit Manager	£7,000
NOTTINGHAM	Tax Specialisation	£8,000
OXFORD	Prospective Partner	to £10,000
PETERSFIELD	General Practice	£7,000
PORTSMOUTH	Audit Senior	£NEG.
READING/SLOUGH	Prospective Partner	to £10,000
RICHMOND	Audit Manager	£NEG.
ST ALBANS	P.A. to Partner	£6,500
SHEFFIELD	Prospective Partner	to £10,000
SOUTHAMPTON	Audit Seniors	£NEG.
SOUTHEND	Finalists	to £5,000
WATFORD	Finalists	to £5,000
WOKING/WEYBRIDGE	Qualified	£7,000
WORTHING	General Practice	£6,000

write to John Walker, F.C.A.

8 0441

PRACTICE APPOINTMENTS)
W HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

INSOLVENCY MANAGER

London

£15,000

A major International Practice with offices in most major centres world-wide seeks to recruit an insolvency manager for their London Office.

Candidates should be professionally qualified with previous experience of an international Firm although not necessarily within the insolvency department. Individuals with some commercial experience, possibly in a bank or management consultancy, capable of working under pressure in difficult situations will be considered.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

AUDIT MANAGER

London

£12,000

Our client, a medium-sized Firm of Chartered Accountants wishes to recruit an additional manager for their rapidly expanding audit department.

Candidates should be qualified A.C.A.s with experience both in a medium- and large-sized Practice and have the ability to handle both close and smaller public company audits.

For the right applicant an offer of partnership in the medium term will be considered.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

ACCOUNTANT for solicitor's practice based in Elstree, responsible for three offices, to handle all financial aspects of the practice. Ideal for failed finalist. — Contact Accountants, 01-450 2657.

BANKING APPOINTMENT c. £6,500 plus excellent perks. Recently qualified accountant required by comptrollers division of leading international bank to train the internal audit team. Eventual progression would be to work with or lead a team of four inspectors. Knowledge of a European language would be useful as the position would demand some travelling throughout U.K. and Continent. — Ring for appointment 01-283 6022/6023.

BOX NUMBERS

**Replies to advertisements
using Box Numbers should
be addressed to:**

Box.....
Gee & Co (Publishers) Ltd
151 Strand, London
WC2R 1JJ

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. — Please reply to Box AB 6413.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. — For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

A.C.A. GUILDFORD. — Tired of commuting seeks position in provinces. Good all-round small/medium firm experience including tax and training. — Box AC 2995.

A QUALIFIED certified accountant (Ceylonese) with considerable commercial experience seeks position with sole practitioner or small firm. Prospects to partnership once practising certificate is obtained — some capital available. — Please apply to Box AQ 2986.

CERTIFIED ACCOUNTANT, North-West London is prepared to purchase small practice or block of audits, approximately £1,000-£2,000 fees. Immediate cash available. — Box CA 3023.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. — Box CA 6414.

CHARTERED ACCOUNTANT near London requires G.R.F. of up to £40,000 or would like to hear from overburdened practitioners. Flexible arrangements available. — Box CA 3011.

CHARTERED ACCOUNTANTS North London, wishing to expand, seek to purchase, or merge with, an existing practice with G.R.F. of up to £40,000. London area or surrounding home counties. All propositions will receive serious consideration. — Box CA 2987.

OFFICIAL APPOINTMENTS

**THAMES POLYTECHNIC
SCHOOL OF BUSINESS
ADMINISTRATION**

**Senior Lecturer/Lecturer II
in Accounting
(Two posts)**

The Division of Accountancy, Finance and Law is involved in teaching and developing courses at higher degree, first degree and sub-degree levels. Applicants should have a degree and/or professional qualification and professional experience; teaching experience and an interest in computing would be desirable. Research and consultancy are encouraged.

Salary scale: Lecturer Grade II £5,016-£7,695; Senior Lecturer £7,143-£8,247 (bar)-£8,799 (inclusive).

Interested applicants can contact the Head of School Geoffrey Randall (01-854 2030) for informal discussion or send for further particulars and form of application from the Staffing Officer, Thames Polytechnic, Wellington Street, London, SE18 6PF, to whom completed applications should be returned by 27 November 1979.

CHARTERED ACCOUNTANT with a practice in West End wishes to acquire a small practice. Would also be interested in discussions with practitioner considering retirement. — Box CA 2915.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. — Box CA 6409.

CHARTERED ACCOUNTANTS, CHESHAM, BUCKS, require chartered accountant with at least two years' post-qualification experience, good knowledge of taxation and incomplete records. Partnership prospects after short period to successful applicant. Commencing salary £8,000 per annum. — Write full details to Box CA 3004.

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF
WEST SUSSEX/HAMPSHIRE to £250,000 GF

**GLASGOW/EDINBURGH/
BIRMINGHAM/BRISTOL/CARDIFF/
DUNDEE/EASTERN COUNTIES** to £500,000 Plus GF

DEVON/CORNWALL/SOMERSET to £100,000 GF

**CAMBRIDGESHIRE/NORFOLK/
BEDFORDSHIRE** c £40,000 GF

**DENNIS CHATFIELD & ASSOCIATES
WHEATSHEAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353-1307/
1308/5831.**

Acquisition/Merger Req'd Substantial City Practice South London/Surrey

■ **OUR CLIENT.** A highly respected City firm of long standing now wishes to expand by means of a compatible acquisition or merger in the South of London/Surrey and will seriously consider any blocks of fees or practices in this area. With a partner/Staff complement of c. 100, GF over £1,000,000, strong and comprehensive city connections, a national clientele, advanced systems, valuable training facilities and excellent client acceptance, we feel that superb prospects exist for rapid personal professional and financial advancement.

■ **OUR PROPOSALS.** If you are overworked, under capitalised or frustrated and wish full/partial withdrawal our client can offer an attractive capital payment of up to 1½ times GF depending on size and quality, with continuity. Alternatively should a merger, appeal, then generous personal and financial terms will be equitably negotiated and full recognition given to each partner's stature, ability and personal contribution.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

Merger/Acquisition National Firm GF £10m Plus Greater Cardiff Area

■ **OUR CLIENT** a long established Chartered Practice of National stature, with an increasing number of strategically placed offices throughout the United Kingdom, now seeks to develop further by means of a compatible merger or acquisition in the Cardiff area.

■ **THE ADVANTAGES** which would accrue to firms seeking growth by merger in this area would include exceptional training assistance, availability of highly advanced systems, expert specialist counsel and, in addition, substantial geographical benefits both nationally and internationally for the promotion of client attraction, retention and development to the full potential.

■ **THE SETTLEMENT** envisaged will be generous — in the case of acquisitions up to 1½ times GF with highly attractive consultancy options. In the case of mergers, as our client believes in the autonomy of each office, individuality and personal contribution will be maximised. To discuss these excellent opportunities contact us in strictest professional confidence at once.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantage. — Please reply to Box CC 7137.

EAST SUSSEX, G.F. £12,000. This small practice is now available and offers are invited in the region of £20,000 for the goodwill. — RMA Tel. 0245 81166.

F.C.A., aged 30, living in Mill Hill, wishes to acquire £6,000 G.R.F. Would also consider subcontracting arrangement. — Please write Box FC 3000.

FIRM OF C.A.s in North London seeks practice or block of audits. Ample resources available. Retirement situations considered. — FO 3025.

FOR SALE £50,000 G.R.F. (approx. 100 clients) London. — Offers to Box FS 2979.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000–£500,000. — Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01–353 1307/1308/5831.

PRACTICE FOR SALE. South East England. — Apply Box PF 3024.

PRACTITIONER WISHES to acquire old-established practice where a personal client service is highly regarded. — Please reply in strictest confidence. — Box PW 2937.

SHEFFIELD CHARTERED ACCOUNTANTS, two partners, G.F. £50,000, welcome discussions with other firms with a view to merger or full/partial sale. — Box SC 3012.

SOLE PRACTITIONER, B.O.T. authorised, situated SW. Essex and NE. London with G.R.F. £25,000 seeks merger/association to pool resources and overheads and cope with expansion. — Box SP 2988.

SOLE PRACTITIONER, LONDON W5 wishes to acquire small practice or block of audits up to £10,000 approx. Would also be interested in discussing with practitioners considering retirement. — Box SP 3013.

SOUTH BUCKS C.A.s require experienced chartered accountant for small practice offering good prospects of early partnership. — Write Box SB 3007.

TWO YOUNG CHARTERED ACCOUNTANTS wish to acquire small practice or block of fees in the Greater London area. — Replies in confidence to Box TY 2965.

SUFFOLK SOLE PRACTITIONER in country town office seeks young A.C.A. looking towards partnerships and interested in small rural town environment. C. £6,500. — Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel: 0935 25996/0935 25183 or Bristol 299760.

WEST END PRACTITIONER with other business interests wishes to dispose of his small but lucrative practice. (£18,000 G.F., 25 clients). — Box WE 3015.

WELL-ESTABLISHED Chartered Accountant seeks further expansion by acquiring a block of fees up to £20,000 G.R.F. Specialist services are provided for smaller clients. Preferred area is NW. London but all related areas would be considered. Cash/pension arrangements can be promptly arranged. Box WE 7185.

WEST END FIRM of chartered accountants wish to move part of their practice to an office within the area Worcester Park to Leatherhead, Surrey, and would like to hear from other chartered accountants in that area with approximately 500–1,000 square feet of office space, surplus to requirements. The possibilities of a professional liaison can also be considered. — Please reply to Box WE 3014.

SUBCONTRACT WORK

ENFIELD FIRM requires subcontractors, preferably in profession, with good experience. Must be able to prepare taxation computations for sole traders to companies. — Full particulars of experience to Box EF 3002.

SUBCONTRACTORS REQUIRED. General accountancy work/incomplete records/taxation. To work on or off our premises. Colchester area. — Telephone 07875 3367.

SUBCONTRACTORS required to work at accountants in Bexleyheath, to produce final accounts from incomplete records and ability to audit limited companies and must be experienced in personal/company taxation. — Telephone 01–304 8334/5.

ABLE BENGALI-SPEAKING chartered PEII finalist with lots of experience in all fields seeks subcontract work from Bengali-speaking chartered accountants in practice in London. Will consider part-time working in principal's office. — Box AB 3019.

ACCOUNTANT QUALIFIED incomplete to computer accounting. — Box AQ 7174.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6415.

CHARTERED ACCOUNTANT available for subcontract work for one or two days per week in the city or South London area. — Box CA 3016.

CHARTERED ACCOUNTANT looking for subcontract work. Will collect and deliver back. — Please reply to Box CA 2966.

CHARTERED ACCOUNTANT seeks subcontract work in North London or adjoining areas. — Box CA 3026.

F.C.A., seeks regular subcontract work or temporary assignments. Willing to work at firm's premises. Will collect and deliver. — Box FC 2989.

F.C.A. with spare capacity seeks subcontract work within 25-mile radius of Colchester, can collect and deliver. — Box FC 3017.

F.C.A. with wide experience in all fields, seeks subcontract work in London and Surrey. Contact immediately. — Box FC 2950.

NE. CHARTERED ACCOUNTANT has time available to undertake subcontract work. S. Durham and Teesside areas preferred. — Box NE 3027.

PEII FINALIST with six years' experience in incomplete records, limited company audits, VAT, P.A.Y.E., etc. Available for subcontract work in London area. Will collect and deliver. — Box PE 3018.

CONDITIONS OF ACCEPTANCE OF CLASSIFIED ADVERTISEMENTS

1. The publishers cannot guarantee insertion on any specified date, but every effort is made to comply with advertisers' requirements.
2. The publishers will not be held liable for any loss occasioned by the failure of any advertisement to appear from any cause whatsoever.
3. The publishers will not accept responsibility for printing errors which may appear or for any consequences arising therefrom.
4. Box number addresses must not be used for the receipt of original documents, goods or payments of any kind, nor are they available for the distribution of circulars or canvassing matter. Any letter is liable to be opened for examination of its contents.
5. The right is reserved to refuse, cancel, suspend publication, or alter any advertisement which in the opinion of the publishers does not conform with recognized professional standards.

Greater Birmingham Merger/Acquisition Required Firm Estb. c. 1869 GF c. £10m

■ **AN OPPORTUNITY** has arisen for practitioners in the Greater Birmingham area to take full advantage of our client's resources and professional position to enhance their own. The combination of services, systems, training schemes, national coverage and international connections offered, merit your immediate consideration.

■ **MERGER.** Our client's practice is structured so that each office has complete autonomy, individual character and flexibility, and in this way can provide incoming partners with the greatest scope for personal fulfilment, better client service and a strong competitive advantage.

■ **ACQUISITION PROPOSALS.** Up to 1½ times the Gross Fees will be paid in capital and, in addition, a valuable consultancy contract provided if this is required. To find out more about these excellent opportunities contact us in strictest confidence today. Your identity will not be disclosed to any party without permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

Professional Practice Disposal/Merger/Acquisition Great Britain & Europe

RESOURCE MANAGEMENT

RMA have completed many U.K. assignments and can investigate numerous proposals of interest without giving the client's identity. Property disposal and acquisition undertaken. Finance available.

PRACTICE VALUATION

Practice valuation given for assessing the equity share of incoming or outgoing partners, practice disposal, acquisition or merger and also for internal, appraisals. Valuations are prepared within 7 days.

PRACTICE DISPOSAL

Overwork, dispute, poor health, death, cash flow, other options, retirement? The discreet U.K. service of RMA will help you reap the maximum personal and financial benefit. References are available on clients' request.

DISPOSAL CONSULTANCY

Smaller practices can sell while partners continue with a consultancy agreement and enjoy growth, capital, tax benefits, greater scope, security, flexibility and cover. Act now, avoid loss, worry and uncertainty.

TIMING THE DISPOSAL

Many leave this important matter until it is too late causing embarrassment and loss to relatives and staff. Now is the time to plan other interests, retirement and succession before the price multiple erodes further.

PRACTICE MERGER

Mergers often result in fast growth and can be achieved without a big capital outlay. The combined resources only enhance the firm's future development prospects for the attraction and retention of major clients.

MERGER ADVANTAGES

Mergers provide more scope for partners and staff, effect substantial economies, justify specialist departments, strengthen technical abilities and give greater cover, security, flexibility and also profitability.

PRACTICE ASSOCIATION

Provincial and suburban practitioners can benefit geographically and operationally by a discreet association with London based practitioners of repute, thus providing an uncommitted try-out for a future merger.

PARTNER RECRUITMENT

As the partners are the key to profitability it is essential to have Practice Principals able to get/retain client loyalty, generate new business and keep abreast of legislation. We specialise in this kind of introduction.

THE ADVISORY SERVICE

Firms wishing to merge, dispose or develop can be visited for a confidential discussion. The fee for this is pre agreed and is fully deductible in the event of a deal. Identity not disclosed without consent. Tel. 0245 81166.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd, Chelmsford, Essex, England
☎ 0245 81166/81167 Cables RESOURCE

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. — Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. — Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. — All replies to Box AC 6416.

CHARTERED ACCOUNTANT, graduate. Wide experience including U.S.A. and Germany. Seeks short-term assignments or subcontract work. U.K. or abroad. — Reply to Box CA 2990.

BOOK-KEEPER. — Willing to work at home. Will collect and deliver in NW. London area. — Please telephone 01-952 2094.

BRITISH CHARTERED ACCOUNTANT considerable experience company audits, personal and corporate taxation, seeks employment as manager. — S. A. Siddiqi, 49 Tavistock Avenue, Perivale, Middx. (01-998 5824.)

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5

Freelances and Job Applicants required also.

TRAINING CONTRACTS

U.K. GRADUATE seeks articleship with small or medium sized chartered firm. Starts immediately. Partha Sarathy Bannerjee, 15 Totterdown Street, London SW17. — Tel. 01-767 3257.

SERVICES

COMPANY FORMATIONS

A BACKED SERVICE. — Limited companies formed or ready made. — Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY SEARCHES. — Prompt and reliable personal service at moderate rates. — M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

READY-MADE COMPANIES available now, also formations, etc. — Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

RI+B

Robert Irving + Burns
23-24 Margaret St.,
London W1N 8LE
Telephone: 01-637 0821 (10 lines)

LET US SOLVE YOUR RENT REVIEW OR LEASE RENEWAL PROBLEMS

Contact Robert Serlin FSVA, FRVA, MRSH
(Head of Professional Department)

on 01-637 0821

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETTLBURGH LIMITED
140, 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON
EC4Y 0HE. Tel. 01-353 1441
Ring any day — any time — 24 hour service

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81.68 including books, seal, VAT, *Speedy searches.* — Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES **£95**

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

**Express Co
Registrations
Ltd** 30 CITY ROAD
LONDON EC1

What's the fastest way to form a company?

With over 100 experienced people on our staff and around 700 ready-made companies on our books we can offer you an unbeatable turnaround on company formation and a far broader range than anyone else. Perhaps that's why we've formed more companies than any other company?

For a quick reaction simply call David Hodgson in London on 01-253 3030 or Michael Counsell in Bristol on 0272 32861.

Jordans

We always come up with the answers

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

LIMITED COMPANIES

NEW FORMATIONS

—AND—
READY-MADE COMPANIES FOR ALL TRADES £90
(Complete: no hidden extras)

ALSO

COMPANY SEARCHES

*Searches, Seals, Registers, etc.
Descriptive literature from:*

GRAY'S INN COMPANY FORMATIONS LTD
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

accountancy personnel

Agy.

TEMPORARY

**Calling all Managers,
Seniors, Semi-Seniors,
Intermediates
and Juniors**

TEMPORARY JOBS IN ALL AREAS.

**TOP RATES OF PAY ONE WELL
PAID JOB AFTER ANOTHER**

**64 George St,
Croydon
01-686 4686**

**7 MacKenzie St,
Slough
Slough 35939**

**63 Moorgate,
London EC2
01-628 9015**

**14 Gt. Castle St,
Oxford Circus, W1
01-580 2612**

TAXATION & ACCOUNTANCY RECRUITMENT

CONSULTANTS TO THE PROFESSIONS

Having established a conventional agency we have on our register situations in all parts of the U.K. in the Accountancy and Legal Professions ranging from audit and tax assistants through to partner level with remuneration from £4,000 to £15,000.

However, we have found that in addition to notified vacancies there is little difficulty in 'creating' situations for candidates of ability who are qualified by examination or experience and if required are willing to undertake a course of further study.

Instead of waiting for the right opportunity to turn up we invite you to discuss with us your hopes and ambitions for the future and we will do all we can to find you the career opportunity you are seeking in an area of your choice.

**3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN**

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates

The Good Job Guide

THE COMPLETE SELF-HELP GUIDE TO CHANGING YOUR JOB

Over 500 pages of practical information and advice, including:

- trends in the job market
- self-assessment
- effective search
- cv and interview techniques
- training opportunities
- legal aspects
- working overseas
- key facts on hundreds of companies
- detailed profiles of major employers
- a guide to recruitment consultants
- professional associations
- employer category/job and location indices

£1.75

available from major booksellers, or from Order Dept A
The New Opportunity Press, Yeoman House,
76 St James's Lane, London N10 3RD. (add 60p p&p)

THE ACCOUNTANT

LATE EXTRA

Or just extra late?

Be on time with the

LATEST news & jobs

Order your own copy!

**The
ACCOUNTANT**

MORTGAGES

ABANDON CHASING THAT MORTGAGE. - 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. - Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. - Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

A COMPREHENSIVE SERVICE

Maximum loans for professionals
Remortgages, commercial loans, etc.

Personal service 20 years' experience.
Members of the Corporation of Mortgage and Finance Brokers.

ROWE, CHARLES & CO LTD
Hill House, Wembley, Middx HA9 9LD
01-908 3434

MISCELLANEOUS

BUSINESS OPPORTUNITIES

READY MADE German GmbH company for sale. Avoid twelve months delay in forming new GmbH by buying off the shelf. - Details can be obtained from I.T.B.S. Ltd, 1a Dunkirk Lane, Leyland, Preston PR5 3BS.

PERSONAL

DATeline'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

EXPERIENCED ACCOUNTS TYPIST (ex C.A. Sec.) available for home typing. - Further details 01-886 1058.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

BUSINESS PREMISES

AN INSTANT OFFICE. - Ideally suit new or expanding firms. Busy position 'Bakers Arms' London E0. Luxuriously furnished. Telephonist, receptionist. C/H and other services and facilities included. - 01-539 3300.

I WANT THOSE
FIGURES BY THE
END OF THE WEEK,
BICKERDYKE
OR ELSE!



IT'S IMPOSSIBLE...
UNLESS....



GET ME ILPAR



CONGRATULATIONS!
BICKERDYKE...



NOW, ABOUT THE
VACANT POSITION
OF FINANCIAL
DIRECTOR.....

**FOR YOUR
TEMPORARY
ACCOUNTING
PROBLEMS RING
01-353 5624**

ILPAR

ILP Accountancy Recruitment Limited
4 New Bridge Street, London EC4V 6AA

ANNUAL RETURN - COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING - COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ
Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex: 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS - An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd - Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol.

The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5.
Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554

Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

Services Directory

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex: 8813082

Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663

Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892

Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394

Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321

Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES - COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Practitioners can, in association with us, provide management information with ease and profitability to clients. Cash flows, profit forecasts etc.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353. Telex: 264420. Contact Michael Southgate

Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN. Tel. Maidenhead (0628) 37123

On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA. Tel. 01-248 9071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336 (Ring, write or call)

Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788

Specialist supply of all types of equipment and consumables to Practitioners. Agencies with all major suppliers, discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE

Branches: 61-63 Beak Street, London W1R 4JA

186 Fleet Street, London EC4

Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE Services. Includes the 'normal' reports and additional schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB. Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.

Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH. Tel. Long Stratton (0508) 30324 and 30448

Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex: 935109 (Open 7 days a week)

Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB. Tel. 01-439 6007. Telex: 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA. Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone; offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Based on our considerable experience, we can advise the Practitioner on how to cut through the morass of new technology to obtain higher profitability and greater efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London, EC4N 6AE. Tel. 01-248 4277.

Members of the Stock Exchange, established 1852. Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX. Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skailes, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332. Telex: 667783 and London

Services include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street, Plymouth, 30 Milsom Street, Bath, 16 Sourthernhay West, Exeter

Valuation and rating surveyors, consultants to caravan and leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new buildings, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow. Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561 (and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TAX ASSESSMENT - COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Fully automated service to monitor tax payments due, and overdue accumulating interest. Register and payslips prepared fortnightly. Permanent tax schedules prepared.

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA

Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU. Tel. 01-836 1840 and 01-836 1923

All languages - all deadlines

It's Later Than You Think

If you have not already placed your order for the 1980 editions of *The Accountant* diaries, please use the form below to do so now.

THE ACCOUNTANT *Diary 1980*

LABEL

NAME _____

APPOINTMENT HELD _____

COMPANY NAME _____

ADDRESS _____

If undelivered please return to
GEE & CO. (PUBLISHERS) LIMITED
151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Notes _____

STRICTLY CASH WITH ORDER

DESPATCH OF DIARIES WILL BEGIN DURING NOVEMBER

NO ACKNOWLEDGEMENT OF ORDER WILL BE SENT

ORDER FORM

THE ACCOUNTANT *Diary*

Please supply

	Price each inc. Postage & Packing	Quantity*
DESK DIARY	£5.20	
POCKET DIARY	£4.15	

*Insert number of copies required above

Diary Total: £ _____

plus VAT @ 15% £ _____

Remittance enclosed: £ _____

VAT Registration No. 239 1836 41

Registered in England 115503

The Month around the Banks

by WILLIAMS & GLYN'S BANK LTD

After many months of rapid expansion, September saw the long-heralded slowdown in credit demand. This came at a time when, after the distortions in the first half of the year caused by industrial disputes and bad weather, signs were multiplying that the economy was finally beginning to move to a slower growth path.

Even consumer spending, the main stimulus to growth, levelled off in the summer, though a temporary boost is expected from the £1 billion tax rebates paid out in October. Recent business surveys point to deteriorating optimism in manufacturing industry and weak investment intentions. Reports from the bank's branches tend to reinforce this.

It is nevertheless difficult to know whether a turning point has yet been reached, because month-to-month movements remain erratic. The trend seems set for a fall in overall activity for the rest of this year – and for 1980 – but a clear picture for bank advances remains hard to discern.

It is true that sterling advances by the clearing banks fell in September. The fall, at £280 million (1 per cent), was considerably more than official seasonal expectations. While personal borrowing continued strong, lending to the manufacturing sector fell quite significantly – particularly in the food, drink and tobacco sector, always a volatile category – and to a lesser extent in services.

Of course, one month's figures are not enough evidence that the monetary tide has turned. Moreover, credit supplied in the form of bank acceptances, rose by a further £100 million in September, and the engineering strike temporarily reduced some demand for advances, especially from smaller concerns. The growth in acceptances, most of which represents a direct switch out of existing overdraft finance, is a measure of the

resilience of credit markets in devising alternative forms of finance (though probably at some additional cost) when faced with direct controls on bank lending.

Reduced bank lending activity was reflected in September's money supply which grew by 0.6 per cent, a much slower rate of increase than in previous months. As a result the increase at an annual rate in the first three months of the new target period remained just below the upper limit of the 7–11 per cent range set by the authorities.

Once again continued large capital outflows, due to the earlier relaxation of exchange controls, contributed to the relatively modest rise. This influence seems likely to accelerate in coming months now that exchange controls have been completely abolished.

The underlying rate of monetary expansion may nevertheless still be too high to leave room for the authorities to envisage a significant fall in interest rates in the near future, especially as the government's main preoccupation in the short-term remains the accelerating rate of inflation. This was made clear in last month's Mansion House dinner speeches by the Chancellor of the Exchequer and by the Governor of the Bank of England. Moreover, the international environment and in particular foreign interest rates have an even greater bearing on UK developments now that exchange restrictions have been removed.

Interest rates in Europe moved close to, and in some cases above the record levels reached in several countries in the autumn of 1976, reflecting continued emphasis on anti-inflationary policies and concern over currency movements. The past month saw higher official discount rates in Belgium, Italy and Finland and rising market rates in France, Germany and Austria. Outside Europe the US Federal Reserve Board's

credit tightening measures pushed prime rates to new record levels, and Canadian rates moved in line.

The Government's decision to sweep away exchange controls (and the cost of their administration) which have been with us for 40 years in one form or another, meets Britain's EEC obligations on the freedom of capital movements. Though widely anticipated, the move created much uncertainty.

The strength of sterling and its consequences for the competitiveness of British industry provided another reason for easing capital controls. The alternative means to achieve more competitive exchange rates was for the government to intervene and accumulate more funds in the already swollen official reserves. The case for accumulating some of the benefits of North Sea oil in more productive private investments abroad was clearly attractive.

Sterling exposed

Looking at the main consequences of the move, first in the foreign exchanges, sterling has become more fully exposed to the impact of international influences and the likelihood of a weaker £ is increased. Secondly, in the financial markets, gilts are likely to be more volatile, while equities face the consequences of the new freedom for UK investors to buy overseas stocks.

For the banks, the change has created welcome opportunities to provide new financial services. It would also present practical problems if there should prove to be a great demand for current accounts in foreign currencies. From the point of view of banking transactions, such demand could create problems initially, since the banks' sophisticated accounting systems have been designed for sterling accounts. Obviously it will take some time for decisions to be reached about the best use to be made of the new freedom.

Since the authorities will be just as concerned to control the level of demand and to lower the rate of inflation as they have been up to now, they will doubtless make other appropriate adjustments to the levels of resources available to the banks and to the levels of interest rates, whether by adjustment to the corset or by other means.

Continuing Advice

by OUR INSURANCE CORRESPONDENT

One of the great advantages for a client in securing a life assurance or pension contract through an unbiased intermediary is that the client's situation will be weighed up, and he will be offered whatever is thought to be most appropriate to his needs, from a relatively wide range.

That is fine, as far as it goes. What needs to be remembered, however, is that people's circumstances change. In some cases, it may be sensible to arrange further cover, taking advantage of an option under the policy; in other cases, it may be preferable to vest a pension contract earlier than had been envisaged.

Looking at life assurance, where there is no specific need for cash on a particular date in the future, there is much in favour of the 'flexible' type of endowment assurance policy, which was pioneered by the Scottish Provident Institution more than ten years ago. The principle is that, once premiums have been paid for ten years, a policy can be 'matured' at any time for a cash sum guaranteed at the outset, plus bonuses.

Flexible contracts

In certain circumstances, therefore, when an individual needs a cash sum, it may be preferable to 'mature' such a policy for a tax-free cash sum, rather than to raise the money, perhaps expensively, in some other way. Incidentally, most 'flexible' contracts are now issued in unit form, consisting of quite a number of smaller policies. There is, therefore, no need to realise the whole contract; a sufficient number of small policies can be realised, and the remainder can continue in force.

Under some policies of that type, there is an option so that, when units are cashed in this way, a contract can be arranged for a similar number of fresh units – at the premium rates applicable at the time. Here, there is the advantage that, provided the life assured is not over a certain age at the time, no evidence of health will be required to arrange the fresh units.

In some cases, it may be sensible for

an individual to arrange fresh cover. Increasingly, policies issued as collateral in connection with house purchase loans have an option so that, within limits, if a fresh house purchase loan is arranged on moving house, the policy can be extended to mature at the end of the new mortgage terms and/or a further policy can be arranged – in both cases, without evidence of health having to be provided. Those are useful options, and should not be overlooked when an individual is moving house.

Quite apart from those options linked to the cashing of units or the purchase of a new house, life offices are increasingly issuing policies which give the life assured the right to arrange further assurance, without evidence of health. Usually, such an option must be exercised before the life assured reaches a certain age. Sometimes, it can only take effect on certain policy anniversaries. Other offices, however, allow the increase at any policy anniversary, and there are one or two examples where this right can be taken at any time.

Clearly, if this type of policy is in force, and an individual's life is known to be in danger, it is sensible for him to arrange the extra cover. The insurance company has charged for this right in the first place, and an individual is quite entitled to take advantage of it.

Even if the person whose life is to be assured has suffered, say, a stroke, it may be possible to arrange the cover –

provided he can agree to what is being proposed. One suggestion is that a doctor and lawyer should be present, and that the individual should simply make a mark, if unable to sign his name. This should be witnessed, and supporting evidence should be provided. Unfortunately, there appears to be no way in which an increase in cover can be provided for somebody who is unconscious.

While on the subject of those considered by medical opinion to have a short life expectancy, it should be mentioned that anyone over the age of 60 with self-employed pension arrangements in force – but no life cover or widow's pension under that type of contract – could arrange to vest the policy. In this event, part of the pension could be commuted for tax-free cash, and it might be possible to arrange for the pension to be payable for a minimum period of 10 years, even if death should occur well before the end of that period. There is little doubt that an arrangement along those lines is likely to be better for the individual than simply a return of premiums (with or without a relatively modest rate of interest) at his death.

It looks, however, as though, gradually, life offices may offer a better return under personal pension policies in the event of death before vesting. The Equitable Life Assurance Society, a leader for this class of business, has made a start (which will apply not only to new policies, but also to those already in force).

Self-employed

One of the features of self-employment is that an individual may wish to move gradually from full-time working to 'full-time' retirement. In recent years, some life offices have tried to meet this need by providing personal pension policies in unit form, so that individual units can be vested as required, thus allowing a pension to build up to its full value over a period of years.

While that may appear to be a neat and tidy solution to the problem, in practice, many of those who are self-employed may have provided their own solution – by taking a number of different contracts. Typically, for instance, they may have one of two

Banking and Insurance

annual policies, which are 'topped up' to the maximum allowable contribution by single premium contracts. Also, there are those without a regular premium personal pension policy, but who rely entirely on single premium policies – buying, each year, say, one or two policies which appear to give the best value at the time.

If, for whatever reason, a number of different policies are held, once the age of 60 has been reached, the policyholder can vest policies, as necessary, to provide an increasing income as earnings drop away. For an individual, choosing the right moment to vest a policy, and picking the right policy from those held, can be important decisions, for which advice may very well be needed.

Vesting a policy

As an example, if an individual wishes to vest a policy when share prices are low, it may very well be best to choose a profit-sharing contract, rather than a unit-linked contract. If interest rates are high, a contract funding for cash is likely to be preferable, since annuity rates, also, will be high, and the cash will purchase an attractive level of pension. When interest rates are not particularly high, a contract funding for pension may be better, since the level of pension is not linked to such an extent to interest rates at the date of vesting.

In addition to the choice of contract to vest, there is the question as to whether the cash sum available should be uplifted to another office, if, by so doing, a higher

pension could be obtained. While many life offices feel that the 'open market option' now commonly incorporated in personal pension policies will not be used to any great extent, it is the individual policyholder who may very well suffer if other opportunities in the market are not explored. Admittedly, some life offices have said that (at least for the time being) they will not be accepting uplifted cash from other offices. Nevertheless, some offices with relatively attractive annuity rates will be accepting cash, and it could be worth taking advantage of such options. To let the pension be paid by the original office would mean, to some extent, that the additional commission payable at that stage would hardly have been earned, in the true sense.

One other area of continuing advice, which may be needed by a policyholder, concerns unit-linked life policies, where there is the right to switch the linking of the policy among a number of funds. Unless a client simply links a policy to the company's managed fund, he is likely to need advice on when to switch from one fund to another. This is an area where consultants have sprung up; they will take on this responsibility, or will make switches at their discretion, without prior reference to policyholders.

Such consultants have a difficult task, and experience has shown that, so far, they have not all been entirely successful. Certainly, nobody should try to offer advice in this area unless they are satisfied that they have sufficient expertise, knowledge and day-to-day contact with the market to be able to provide sound guidance.

quoted figures for sums insured and premiums in connection with buildings are increased by 25 per cent for properties in the London area within 20 miles of Charing Cross, and by 12½ per cent in the rest of the south-east and in Scotland. Within 20 miles of Charing Cross, premiums for contents are increased by 50 per cent.

Where the cost of rebuilding a house is more than the specified minimum, or if household contents would cost more to replace than the quoted figure, a householder has a choice: either more premium can be paid, so as to increase the sum insured, or the policy can

operate on a first-loss basis. In that event, irrespective of the actual amount at risk, no more than the quoted minimum figure need be insured, and claims will be settled up to that amount, without any penalty for under-insurance being imposed.

Many people see little point in insuring for the full cost of replacement, since it is most unlikely that there will be a total loss. This form of first-loss policy, therefore, may prove popular, and, if it proves successful from the underwriting point of view, no doubt it will be copied in other quarters.

Joint European Travellers' Cheques?

European banks and financial institutions have been studying ways of rationalising the issue and sale of travellers' cheques.

A recent meeting in Brussels between representatives of financial institutions from 16 European countries agreed to start detailed negotiations as from November 1st, 1979, with Thomas Cook Bankers Limited. The objectives are to create a European travellers' cheque organisation open to all European banks, available in several currencies and under the full control of those European institutions, and thus to provide worldwide service for their customers.

When Will They Ever Learn?

Recent experience at 151 Strand suggests that the cold-calling telephone insurance salesman or 'financial planner' is still active. Our editorial staff have been instructed, in the event of further approaches, to obtain the caller's name and address if possible, and to send him (or her) a copy of our leading article of June 28th, 1979 – from which we quote:

'The caller is generally less than honest in gaining access to his proposed victim. He then wastes the victim's time before he gets to the point. This approach is not only unethical, but time-consuming for the victim . . .

'The pity is that life offices are prepared to deal with people who adopt unethical selling methods. They would raise the status of the industry generally if such sales methods were outlawed.'

First-Loss Cover for Householders

Provincial Insurance Co Ltd has introduced a new form of household insurance, which is being sold through the branches of Trustee Savings Banks. Conventional cover is available for both buildings and contents of private houses, subject to an across-the-board excess of £25 in respect of any claim.

Dependent on the type of house and its location, the Provincial specifies the *minimum* sum to be insured – for both the building and the contents, and a fixed premium is quoted for the risk. The

A Word in Your Ear

Opinion on the subject of employee reports ranges from the view that if enough communicative effort is put into the annual report proper there is no need for a special report to employees to the other extreme, that employees are a load of dunderheads who can only begin to pretend to understand figures when presented in a kindergarten way. Those extremes provide scope for considerable discussion in between and the scope is explored in *Who Reads Employee Reports?* produced for Touche Ross & Co by Mr Roger Hussey, ACCA, who, since October 1976, has been working at the St Edmund Hall Industrial Relations Annexe, Oxford, on the Touche Ross-funded project into disclosure of information.

Who Reads Employee Reports? is in fact a final report reaching broader and firmer conclusions than did an interim report produced in June last year. The final report looks at the extent and nature of company practice, and examines the reports of participating companies and the reaction of employees, the distribution and retention of reports and the levels of readership. There are recommendations on the presentation and content of reports and a summary of the guidance that may be drawn from the evidence of the research undertaken.

The matter of employee reports has the inbuilt problem that companies differ in size, structure and style and employee reaction can be completely different, even though company size, structure and style may apparently be identical.

Prescribed by requirements

The annual report to shareholders is prescribed to a considerable degree by the legal requirements of the Companies Act and the listing requirements of the Stock Exchange. But the employee report has no such disciplines and therefore becomes a subject not of legal or institutional requirement but of providing information and communicating with people to whom there is no legal requirement to provide information but with whom a company, for its own domestic

good, needs to communicate to advantage.

But the matter goes further than the most effective style or content of a report and reaches out into matters such as the extent to which employees retain their reports for reference. Shop-floor reaction to the whole matter of employee report communication can provide evidence of the state of the communication system itself.

Ineffective

As the survey comments at one point, 'Even the best method [of distribution] will be ineffective if those who are to receive the information are fundamentally out of sympathy with those who are to provide it.' In that case it matters little whether the employees' report is akin to the shareholders' report or merely a four-page throwaway with a few charts, trading results, and a brief summary of business activities.

If the reception is hostile, the content matter is of little concern.

Within the wide diversities of company formation, methods of reporting, attitudes of reception and means of communication, it is difficult indeed to reach anything other than broad recommendations. Firm conclusions have to be made on the basis of domestic conditions within the reporting company.

But there are at least four constructive reasons for issuing an employee report:

- (a) To meet a desire of employees for information.
- (b) To demonstrate 'accountability' by companies to their employees.
- (c) To allow a company to put over a particular message.
- (d) To promote the development of good employment relationships.

And *Who Reads Employee Reports?* suggests that the research undertaken provides reasonably persuasive evidence that most employees prefer to receive a report rather than receive no formal communication at all; that, given reasonable standards of presentation, most will find the report interesting, will read most

of it and will have sufficient confidence that they understand it to make the exercise worth while.

But the proportion of employees likely to be favourably impressed by receiving the report will tend to rise if action is taken on specific points. The first concerns 'presentation'.

'Patronising'

A report similar in style to the normal shareholders' report and accounts carries weight with employees and 'an element of "gravitas" is required to avoid appearing patronising'. This style is likely to be more widely read and retained than the 'throwaway' variety, although it may be noted that cartoon presentations come second in popularity.

On the second point of 'distribution' the view is that the objectives of producing a report are unlikely to be achieved unless the report gets into the hands of most employees. Distribution by post is considered 'wasteful' and 'runs the risk of being counter-productive'. The lower an employee in the employment hierarchy the greater the difficulty of ensuring delivery of the report and the more care therefore required.

Content

Three comments on the content of reports are, firstly, that employees want information relating as closely as possible to their own work – their own product, location or profit-centre. Secondly, they want to know what is going to happen at least as much as what has happened – 'the desire for information about future development and plans is the need least well satisfied by the reports ... researched', the survey states.

Thirdly, confusion may be avoided and understanding improved by 'limiting the number of financial statements/presentations to a maximum of three, describing them simply and clearly, presenting the annual results in the form of an analysed £1 note and using bar charts to illustrate figures'.

Generally, although older and/or senior and more skilled employees like, read and claim to understand employee reports to a greater extent than younger and/or junior and less skilled employees,

Financial Accountant

most of the latter still favour receiving a report.

Preparation and distribution of a report 'is an act which is seen by employees as conferring on them recognition and status, almost regardless of the content and presentation of the report. The converse may also be true — the failure to repeat the production of a report could be seen as a withdrawal of status unless a convincing substitute has been produced and found acceptable'.

It may be said from outside industry

that the employee report merely providing information is not a substitute for communication. It should be part and parcel of a company's continuing communication with its employees. It should be the collation and distillation of results of the year's work about which employees should have been informed during the year.

Companies which consider an employee report to be the beginning of communication are starting from the wrong end.

development project may take eight, a nuclear project perhaps as long as 15 years. 'Heavy front-end loading and the lead times together put investments long at risk. We cannot wait until we are in a squeeze and our difficulties become acute, we must get moving now'.

The second imperative is the saving of energy, mainly through improvements in energy efficiency and the third the need for a 'great deal of co-operation and understanding between governments and also between governments and industry, in particular the understanding of investment and the long time required to bring it to fruition.

Lastly it is imperative to acknowledge that producers and consumers operate in a difficult world and that political constraints are even greater and more formidable than economic problems. The investor — the oil company — may anticipate the trends and interrelated forces at work, but must live within the world that governments and communities create or perpetuate.

Energy for the Future

Signs are inexorably pointing to the prospect that the oil crisis of 1979 will not go away in 1980. But energy imperatives remain and they were recently quantified and discussed in Amsterdam by Mr D. de Bruyne, President of the Royal Dutch Petroleum Company and a group managing director of the Royal Dutch/Shell Group of companies.

Work to be done

There is, he said, a great deal of work to be done if energy problems are not to be faced some time in the next twenty years. Even under a low-growth demand scenario and assuming that energy use at the end of that period will be almost 20 per cent more efficient than it was at the time of the crisis of 1973, there is need of something of the order of an additional 500 nuclear power stations (of some 1,000 megawatts each), 600 new coal mines, plus all the related infrastructure, six new gas fields, each the size of Groningen (the major Dutch field) or the equivalent of a round 60 LNG or major pipeline projects and new oil production equivalent to seven Nigerias and a similar amount of new supplementary recovery from existing reserves.

For two generations world energy demand has doubled every ten years and oil and gas have provided almost all the

extra energy needed. This, Mr de Bruyne said, was only possible because the oil industry recycled finance at a higher rate, going from investment to profits and — through extended borrowing — to even greater investment over the last 30 years.

Over the last ten years the oil industry reinvested 185 per cent of its net income, or 95 per cent of its total cash earnings.

The bulk of earnings and depreciation allowances together have been marshalled in the service of providing new energy, but the task was increasingly bigger than the oil industry could manage on its own. Long-term debt in the industry, as a percentage of capital employed, has increased over the last twelve years from 15 to 26 per cent.

Rising expenditure

World-wide production expenditures in winning new oil and gas have now risen by more than half of all oil industry spending. The present level of all expenditure in the production area is now around 33 billion dollars annually. But the scale of future needs means, inexorably, that reinvestment must go on at an ever-increasing rate.

Mr de Bruyne believes that producers and consumers are faced with four main imperatives.

First is a recognition of the importance of the time factor. A coal project approved today may take seven years to bring on stream, a tar-sands

Gilt Fund

The Clive Hambro Gilt Growth Fund Ltd, based in Guernsey, has been set up to provide a means by which investors can maximise their capital gains on gilts without resorting to low coupon stocks which show a lower return than higher coupon issues. The fund is setting out to take advantage of all the opportunities in the gilt-edged market.

The fund is being run as a sister to the Capital Reserve Fund, with the same commission and fee structure. But, instead of being confined to one-year maturities, the managers are allowed to invest in the full range of gilt-edged stocks. Investors holding shares in the fund will not qualify for year-and-a-day tax relief. Nevertheless, the fund can take advantage of the full range of opportunities in the gilt-edged market, which should more than compensate for that loss of tax benefit. Also, no capital gains tax is paid by the fund when selling its own investments, thus providing greater flexibility in the formulation of investment policy. Capital gains tax is payable by an investor only when shares are sold.

Good News First?

In treating its subscribers first to an assessment of the world economic prospect and holding back its assessment of the UK prospect for a month is the London Business School likely to be putting the good news first? In its June-July survey the LBS analysed the deterioration in the prospects for the industrialised countries and the findings have since been echoed by such bodies as the IMF and the OECD which now forecasts a 1980 recession.

The profile of the latest world forecast is essentially unchanged from June-July although the magnitude of the recession has slightly deepened. The profile is as shown below.

Rise in real price

With the resumption of growth in 1981 the forecast assumes that OPEC countries will, once more, be in a position to raise the real price of oil. From the second quarter of 1981 it is assumed that the real price of oil will increase by 1 per cent per quarter or just over 4 per cent each year.

The growth of industrial production is put at 4.6 per cent this year and minus 0.6 per cent in 1980. Movements in industrial production are more volatile than those in gnp and the implied world gnp forecasts are therefore 3.7 per cent this year and plus 1 per cent next year.

On that basis the LBS is more pessimistic than the IMF and OECD which expect overall growth in the 1½ to 2 per cent range in 1980. World trade is also expected to be reduced in line with activity from 6.3 per cent this year to 2 per cent next.

Inflation has been accelerating in almost all countries throughout 1979 and the LBS is forecasting inflation of 8.9

per cent for manufacturing and 8.3 per cent for consumer prices. In 1980 inflation rates should once again be falling although that does not show for the year as a whole: the equivalent figures are 8.8 per cent and 9.3 per cent.

For 1981-83 the LBS assumptions are for an appreciating real oil price and monetary growth averaging 12 per cent. Given those assumptions and the LBS estimate of a 3½ per cent underlying growth of productive potential, the prospects are for a recovery from the 1980 recession in 1981-82. That recovery will in turn produce an upturn in the rate of inflation so that by 1983 growth is once more slowing.

As to the 1979-81 outlook the pick-up in inflation rates which occurred last year even before the recent round of oil price rises would, the LBS considers, probably have produced a growth recession in 1980. But with oil prices now forecast to rise nearly 50 per cent in dollar terms in the course of this year the world price level has experienced another major shock of the order of 40-50 per cent of the 1973-74 shock.

No improvement anticipated

So wholesale prices are expected to peak at about the turn of the year on a year-on-year basis at 11 per cent and consumer prices at 10 per cent. The LBS notes that real money balances have been approximately steady for most of this year, as the rate of inflation has moved up to that of monetary growth. No improvement is anticipated for the next 3 months although by the middle of 1980 inflation should be falling and monetary policy easing.

Industrial production is expected to peak in the fourth quarter of this year

and then to fall for each of the next three quarters. By the end of 1980, however, production should be responding to earlier improvements in real balances so that quite a strong industrial production recovery should ensue in 1981.

Joint Life Pension

Legal and General Assurance Society Ltd, the largest pensions office in the country, has estimated that there are about 1,870,000 self-employed people in the country, and a further 500,000 have self-employed earnings of some kind. Of these, it reckons only about 30 per cent, so far, have arranged a self-employed pension contract.

As one of comparatively few offices still to offer a personal pension policy which funds for pension, rather than for a cash amount which is then converted into a pension according to annuity rates at the time, the Legal and General is undertaking a campaign to acquaint those who are eligible with the benefits of a personal pension contract, not least of which is the fact that full relief of tax can be claimed in respect of all premiums within statutory limits. For the first time, the Legal and General has produced a separate 'joint life' quotation form, reflecting the growing demand for that type of contract.

Pension Funding

It is very difficult to comprehend the level of pension which may have to be provided for employees in the future. Although nobody can tell the level at which inflation will run in the future, Mr David Barnes of Gresham Life Assurance Society has pointed out that, if a 30-year-old in a management position is currently earning £10,000 per annum, and if his salary increases by no more than 8½ per cent each year (the maximum assumption for pension funding purposes allowed by the Inland Revenue), he would be earning £173,800 per annum when he retires at the age of 65!

Under its Executive Pension Plan, Gresham Life builds up a cash sum in a tax-free fund, the amount of which can be adjusted year by year to coincide with

Forecast rates of change per cent

	1979	1980	1981	1982	1983
Industrial production	4.6	-0.6	3.0	4.8	3.1
World trade	6.3	2.0	3.6	6.3	4.6
Money supply	10.6	11.2	13.2	12.7	12.5
Oil prices	27.0	16.3	7.1	11.7	12.5
Commodity prices	15.9	8.7	3.9	11.9	11.0
Manufacturing prices	8.9	8.8	5.5	7.3	8.1
Consumer prices	8.3	9.3	7.8	8.0	8.7

changing income or circumstances. At retirement, this cash sum can be allocated as required – to buy a pension for the individual and, if required, a widow's pension which would be payable on the member's death in retirement. Also, if a lower pension is taken at the outset, provision can be made for it to increase at the rate of 5 per cent per annum, so long as it is payable.

As customary, it is not necessary for

the whole of the benefit to be taken in pension form at retirement. Some tax-free cash can be taken – up to a maximum of one-and-a-half times final earnings.

In addition to provision for a pension, life cover can be arranged, in case a member should die while in service. A lump sum death benefit and/or widow's or orphan's pension can be payable in that event.

Stockbrokers' Package

Unlike some life assurance brokers, stockbrokers, until recently, had not exactly set out to attract custom from the highways and byways by 'packaging' their services and marketing them aggressively. That, however, is just what Capel-Cure Myers Ltd is doing with its Money Care Services – the overall 'brand name' for its private client service. Rather more than £100,000 is being spent in advertising, and it is hoped to attract at least 3,000 new private clients, with funds in excess of £150 million, over the next few years.

The facilities available vary according to a client's capital. If over £500 is free for investment, a unit trust may be recommended. For over £3,000, the stockbrokers will operate a managed unit trust portfolio, dependent on an individual's needs. Provided at least £7,500 is available, investment in stocks and shares can be arranged and, for anyone with more than £25,000, discretionary portfolio management is offered.

A new client's existing holdings will be examined, rearranged if necessary, and then kept under review. At least once a year, a valuation of holdings, and a report on their progress, will be provided. The stockbrokers have said that, because they keep a running capital gains tax record, usually they can suggest steps to mitigate the capital gains tax liability before the end of the financial year. Use of the stockbrokers' nominee company substantially reduces paperwork for clients.

UK Long-term Outlook

Reporting to holders of units in the UK Equity Fund, the managers, Save and Prosper Securities Ltd, have said that the outlook for the UK market until the end of the year is generally dull, as investors are likely to adopt a cautious attitude, bearing in mind the difficulties which the corporate sector will face. The managers feel that, as the once-and-for-all effect of higher VAT is digested, and the economy itself slows down, the inflationary impetus should moderate by next year. In the meanwhile, the erosion of real spending power, combined with the threat of higher unemployment, will

Time Limit

Merchant Investors Assurance Company's November *Brokers Bulletin* contains a reminder that from the beginning of next year, the 'cooling-off system' begins. The majority of people taking out a life assurance policy from January 1st, 1980, will receive a statutory notice stating that the intending policyholder has the right to change his mind about taking the policy out.

The notice will ask the intending policyholder to consider certain aspects of the contract being entered into and will explain what can happen when premium payments are discontinued during the policy's term. The assurance company is under a statutory duty to send out the notice and the intending policyholder has a statutory right to withdraw from the contract, without penalty, provided notice of cancellation is served on the assurance company within ten days of the notice's receipt.

Satisfaction

As the *Brokers Bulletin* puts it: 'The policyholder therefore has ten days to satisfy himself that the policy he is buying is what he wants, and if he has "cooled off" he can cancel it easily and without loss.'

And that, of course, is where the trouble starts. How can an assurance company be sure of the exact date that the intending policyholder receives the statutory notice and, therefore, how can the company or the policyholder be positive about the ten days of cooling-off?

'The notice', the *Brokers Bulletin* states, 'must be sent by the assurance company direct to the policyholder. Timing of dispatch is left to the assurance company but must take place not later than the date on which the terms of the policy are finalised and completed'.

It is only necessary to consider the present unreliability of the delivery of the mail to acknowledge that the 'ten days from receipt of notice' system begins on decidedly shaky ground.

Submitted within the prescribed time

Similarly, the important point about any cancellation notice is that it must be submitted within the prescribed time limit. The limit 'is the later of ten days after receipt of the notice and the earliest day on which he (the policyholder) knows both that the contract has been entered into and the first premium has been made'.

The legal framework of attempting to protect people from their own folly, mistakes or misjudgement is no doubt necessary, but it is going to be extremely difficult to operate within the framework if postal delays make a nonsense of good intentions.

The life assurance company saying 'We posted the notice on the 20th', and the policyholder insisting 'Well, I didn't get it until the 28th' is the kind of frustration that the legal framework will not readily ease.

influence the unions in the next round of wage negotiations. 'A repeat of the labour disruptions seen in the New Year could cause further problems to the corporate sector, although companies' balance sheets are generally in better shape than at the time of the last energy induced recession.'

For the future, despite the threat of higher UK interest rates and world

recession, the managers believe that the long-term outlook for the UK is favourable, provided the new Government's strategies are implemented successfully. 'The Conservative Government is committed to a responsible monetary policy, but it is vital for the success of the policy changes that the private sector responds strongly to the greater incentive given by the Budget.'

Here, There and Everywhere

In central London alone this year, £20 million is likely to be spent on messenger services, and that is 25 per cent more than last year. The reasons for the messenger industry boom and the attendant motor cycle dicers-with-death who deliver the goods with efficiency and *élan* are inevitably many and involved.

The proven inability of the Post Office to provide a reliable service is one factor that is probably too easily quoted, but another is the sheer bulk of paper that industry, businesses and the professions now have to shift around London – or anywhere else for that matter.

Cheaper to use

Yet another is that it is cheaper to use an outside messenger than it is to employ what used to be called office boys. The messenger company's bill, although not small, may well be less than the statutory employment cost of a 'junior' irrespective of wages.

And the reliable messenger company is always there, which is sometimes more than could have been said for the office junior even in 'the good old days'. But messengering has also become an industry within the ranks of the institutions, and bank messenger costs to the leading clearing and merchant banks in London must be prodigious.

Mercury Despatch, one of the originals in the messenger service business, will pass the £1 million turnover mark for the first time this year. The company has 5,000 account customers. In 1972 when Mercury began only three similar services were operating. Now there are more than fifty.

Mercury, which began purely as a London messenger service, is now a distribution business, gradually covering a far wider area. Some 15 per cent of Mercury's turnover is currently generated from outside London and the company expects to expand in the provinces.

There will need to be substantial provincial expansion if the central London service of 1 million separate 'drops' a year is to be matched.

Gloomy Prospects

Whatever the London Business School may come up with in the way of longer-term economic forecast there is no doubting the gloom-laden character of the short-run industrial forecast. The Confederation of British Industry's recent industrial trends survey was summarised in seven bearish sentences:

- (1) There has been a significant deterioration in optimism about the general business situation in manufacturing industry.
- (2) Over the past four months, trends in the volume of new orders, output and deliveries have been weak and only some improvement is envisaged for the next few months: capacity utilisation has fallen back to the levels of the end of last year.
- (3) Investment intentions have weakened to a considerable extent.
- (4) Optimism about export prospects over the next 12 months has declined sharply but not to the same extent as in July.
- (5) Prices are quoted as a likely constraint to new export orders by a greater proportion of respondents than at any time since 1964 when the question was introduced.
- (6) Trends in new export orders and deliveries have been poor, and are expected to remain so.
- (7) Corporate liquidity has weakened sharply and a further deterioration is expected.

On the matter of pressure on liquidity, half the reporting companies reported a deterioration in liquidity between October 1978 and October 1979, and the deterioration is noticeably worse than was forecast six months ago and

represents the largest decline since the April 1975 survey.

The worsening is most apparent for larger firms employing more than 500 people with the smallest firms reporting no change in their liquidity position whilst, of the main industrial sectors, capital goods producers appear the most affected.

Ahead, some further deterioration in liquidity is forecast, with the larger firms and the capital goods sector again expecting a relatively poor financial position and the smallest firms, on balance, expecting a minor improvement.

As to action to be taken under such conditions, main emphasis is on tighter stock control, but there is a significant increase in the proportion of companies intending to cut back on capital spending. As yet, however, there is little evidence of the extensive cut-backs of 1974 and 1975.

Flexible Bonds

Gateway Building Society has introduced Golden Growth Bonds, which pay up to 2 per cent above the variable investment share rate.

Initially, an investor may choose any period from one to five years, to ensure a guaranteed return of between $\frac{1}{4}$ and 2 per cent above the Society's investment share rate. At the end of the initial term, the investment either may be withdrawn, or may remain in the bond. In the latter event, the interest rate differential will be raised annually until the maximum level is reached. Money invested for five years at the outset will earn the maximum differential of 2 per cent over the ordinary share rate for the full term.

NEW Books for Students

BUSINESS LAW

by P. Singh, BSc, LLB(Lond.), Barrister at Law

This book presents a succinct yet comprehensive account of the major areas of business law. The author, who has had working experience in both the private and public sectors of industry and commerce, is a lecturer in law. He has also had considerable experience as an examiner in law for various professional bodies and the Associated Examining Board.

The book comprises four sections: a general introduction to the law; business organisations; business property; and the organisation, the individual and the law, showing how the law controls and regulates different activities in a commercial environment. The areas prescribed by the syllabuses of the professional bodies are covered, and the book will be of value to students on business studies courses.

FOUNDATION ECONOMICS

by G. D. Donleavy, MA, FCCA

Many students find economics a formidable challenge and quickly lose interest when confronted by the mass of data indiscriminately offered in so many books. In this helpful book, the focus is on basic principles carefully and clearly explained. All major ideas of contemporary economics are introduced with the minimum of jargon, confusing figures and partisanship.

The author, who has had considerable experience in the teaching of business studies at all levels, presents a complicated subject in a clear and readable manner.

To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ

Please send copy/copies of
BUSINESS LAW
at £4.95 plus 50p postage (airmail £2.50)

FOUNDATION ECONOMICS
at £3.95 plus 30p postage (airmail £1.25)

Remittance enclosed £

Name

Address

.....

A

Practice Administration Guides



Financial Planning for Clients

E Kenneth Wright MA, FCA

Third edition, revised by A B Tappin FCA

The role of the chartered accountant as the coordinator of financial advice to clients is discussed in a revised and updated edition of this popular booklet, which sets out the general principles of planning and includes sections on recording the facts, the initial discussion with the client, periodic reviews, records, and setting up trusts. The accountant should not be afraid, the author argues, of taking the initiative in offering financial advice to his clients, in view of his detailed knowledge of their financial affairs. **£3.95**

Professional Practice Insurance

G R Appleyard FCA

Third edition, revised by

W H Batchelor ACII, FCIB

This updated edition highlights the principal improvements and changes which have taken place in insurance coverage and includes sections on professional indemnity insurance, professional office insurance, and practitioner and employee benefit insurance. **£1.95**

Mergers and Associations of Professional Firms

Hugh T Nicholson FCA

Third edition, revised by E B Palmer

BCom, FCA

A booklet designed to consider the broad principles and practical aspects of mergers and amalgamations of professional firms, as well as associations amounting to less than full merger. While the emphasis is on mergers of accounting firms, many of the matters for consideration are applicable to firms practising in other professions which are contemplating merger. **£2.20**

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

The Publications Department, The Institute of
Chartered Accountants in England and Wales,
P.O. Box 433, Moorgate Place, London EC2P 2BJ.

Please send me

..... copy/ies *Financial Planning for Clients*
@ £3.95 per copy

..... copy/ies *Professional Practice Insurance*
@ £1.95 per copy

..... copy/ies *Mergers and Associations of
Professional Firms* @ £2.20 per copy

I enclose (Cheques payable to CHARTAC)

Name

Address

.....

Antagonistic Leaders

THE ACCOUNTANT, November 8th, 1979

Statistics

Decision Theory

by **STANLEY LETCHFORD, BSc, FIMA**
Director of Studies, Metropolitan College

An acquaintance of mine, a chairman of committees, has on his desk a framed definition of a committee: a committee is a body of persons who individually can do nothing and collectively decide that nothing can be done. One hopes that boards of directors responsible for decision-making in British industry are not committees! But the definition does point up the agonising which lies behind a great many decisions on vital issues.

Every decision ought to be rational, but initially a criterion of rationality is needed. In business this is, roughly speaking, the maximising of profit – the rational course of action is that which results in the greatest net profit. Most of us regard this as self-evident but it is worth noting that it is not a rule laid up in Heaven, and it is conceivable that in a world differently constituted – a looking-glass world – the rational decision would be that which minimises profit, which may be more difficult to achieve than appears at first view. In social affairs the most generally accepted criterion of rationality is that of maximising the difference between costs and benefits, though these may sometimes be difficult to quantify.

Satisfying criteria

In each case the criterion of rational choice contains a quantitative element and it is, of course, the function of accountants to provide and process the data needed to make decisions satisfying these criteria.

Sometimes the data contain an ambiguous answer as to what should be decided. Technological factors may leave no doubt about which of a number of actions is best because the results of calculations based on the data will be

Previous articles in this series appeared in *Student Accountant*.

certain. Decision theory is especially concerned with techniques for reaching decisions when the outcomes of the decisions in question are uncertain. Obviously this is the most likely case, the one producing all the agonising. It is also the one to which statistical methods are relevant. But we begin with an illustration of decision-making under certainty.

In the assembly of a car or machine, technology seldom requires that the operations should be performed in a rigidly fixed order; some flexibility is possible, and therefore some choice. However, it may be that one order of operations is more economical because less time-consuming than any other.

Suppose, for example, that in a manufacturing process a product passes through four states: I (the initial state), A, B and C. Apart from the initial state, which must come first, the states can follow each other in any order, say I-A-C-B, I-C-A-B and so on. However,

the process from A to C may take longer than from C to A and other variations are possible as well. The times taken to pass from one state to another may be represented either by a network, as in Fig. 1, or a schedule of time intervals as in Table 1.

In order to find the least time-consuming sequence, it is only necessary to write down all the possible orders in which A, B, C can follow one another (that is all the permutations of A, B, C, of which there are six) and evaluate the total process time for each:

I-A-B-C: $2 + 3 + 2 = 7$ hours
 I-A-C-B: $2 + 5 + 1 = 8$ hours
 I-B-A-C: $3 + 2 + 5 = 10$ hours
 I-B-C-A: $3 + 2 + 4 = 9$ hours
 I-C-A-B: $1 + 4 + 3 = 8$ hours
 I-C-B-A: $1 + 1 + 2 = 4$ hours

This is a simple and systematic technique for deciding which is the most efficient production process. Although the collection of the data may involve a little trouble, this is not an insuperable difficulty, and the approach eliminates the need for the production manager to scratch his head and make intuitive guesses. It is certain that the procedure I-C-B-A is the optimum one.

Incidentally, it is worth noting that problems in network analysis, of which this is an example, often assume that the best sequence of operations has already been established, but it is clear that this itself may entail a separate enquiry.

Introducing uncertainty

What makes the solution of the above problem simple is that the intervals between each state are precisely defined and certain. Where operations are mechanical, this is not an unfair assumption; but when they depend on unpredictable factors, such as human action, the data need not be precisely defined values but have a probability distribution. In other words each quantity may have a spectrum of values which are more or less probable.

Thus in the optimum sequence I-C-B-A above, the time taken by the operation or event I-C might not be 1 hour with certainty, but 1 hour with probability 0.6 and 2 hours with probability 0.4. This means that if operation I-C is performed a great many times, then on 0.6 occa-

Figure 1

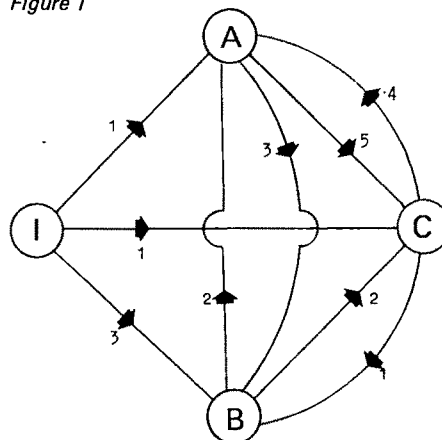


Table 1

From state	To state			Interval in hours
	A	B	C	
I	2	3	1	
A	—	3	5	
B	2	—	2	
C	4	1	—	

Student Roundabout

sions it will take 1 hour and on 0.4 occasions it will take 2 hours.

Now although a single performance of the operation takes either 1 or 2 hours, the *average* time it takes can be found in order to find the average time taken by the whole process I-C-B-A. Suppose for example that the operation I-C is performed 1,000 times, then on average it will take 1 hour on 600 occasions and 2 hours on 400 occasions. The total time taken over the 1,000 occasions is therefore $1 \times 600 + 2 \times 400 = 1,400$ hours... (1).

Hence the average time taken by I-C is $1,400/1,000 = 1.4$ hours. This is the *expected* time taken by I-C. Another way of obtaining this expected time is to divide both sides of (1) by 1,000, to give $1 \times 0.6 + 2 \times 0.4 = 1.4$ hours; or $1 \times (\text{Prob. I-C takes 1 hour}) + 2 \times (\text{Prob. I-C takes 2 hours}) = \text{expected time taken by I-C}$

This method of finding expected time has two advantages over (1); it simplifies calculations and also does not depend on the number of times which I-C is performed. After all, the fact that there is a 0.6 probability that I-C takes 1 hour means that it takes this length of time, on average, over an indefinitely large number of repetitions. Previous discussions in this series make it unreasonable to expect that it will take 1 hour on exactly 600 occasions when the operation is performed 1,000 times. And in any case the number of repetitions of I-C is irrelevant; it is still reasonable to take 1.4 hours as the average time even when I-C occurs only once because all the other manifold production activities are also subject to probabilities and if the same principle of finding expected values is applied consistently right across the board the truest picture of production conditions will emerge.

Suppose now that C-B takes 1 hour or 3 hours with probabilities 0.8 and 0.2 respectively, while B-A takes 2 hours or 4 hours with probabilities 0.5 and 0.5. Then

Expected time for C-B
 $= 1 \times 0.8 + 3 \times 0.2 = 1.4$ hours

Expected time for B-A
 $= 2 \times 0.5 + 4 \times 0.5 = 3.0$ hours

The expected time for the whole process I-C-B-A is just the sum of these three expected times:

Expected time for I-C-B-A
 $= 1.4 + 1.4 + 3.0 = 5.8$ hours

In deciding which among the possible sequences of events is best, it is the *expected* time which is important, remembering that the remaining sequences will be subject to similar uncertainties.

Conditional probability

In the foregoing illustration the events I-C, C-B, etc. are independent of each other in the sense that, whatever the time taken by one of them, the probabilities of the possible times taken by the immediately succeeding event are unaffected. For example, the probabilities that C-B takes 1 or 3 hours will be the same whether I-C takes 1 hour or 2 hours.

In practice the way in which one event occurs is likely to affect the probabilities of the ways in which a succeeding event can occur. For example, if I-C and C-B are processes performed by the same production team, then if I-C takes the longer time (2 hours), the probability that C-B will also take the longer time could be increased, and in any case is unlikely to be the same as if I-C took the shorter time of 1 hour.

Suppose that the probabilities are, as before, 0.6 and 0.4 that I-C takes 1 and 2 hours respectively, but that the probabilities of the times taken by C-B and B-A are influenced by the times taken by the immediately preceding events as shown in Table 2.

The probabilities (0.6 and 0.4) of the times taken by I-C are called *unconditional* probabilities, in the sense that they do not depend on the time taken by any preceding event. The probabilities of the remaining events are all *conditional* probabilities since they do have this dependence. (In the original illustration the probabilities C-B and B-A were unconditional.)

The average time taken by I-C is still

$$1 \times 0.6 + 2 \times 0.4 = 1.4 \text{ hours}$$

But what is the average time taken by C-B? It would seem that there are two possible answers:

(a) If I-C takes 1 hour, expected time for C-B

$$= 1 \times 0.8 + 3 \times 0.2 = 1.4 \text{ hours}$$

(b) If I-C takes 2 hours, expected time for C-B

$$= 1 \times 0.7 + 3 \times 0.3 = 1.6 \text{ hours}$$

However, there is a single unconditional expected time for C-B which does not depend on how long I-C takes. This is in fact, the average of the two expected times (a) and (b) which is found, as before, by multiplying these times by their probabilities and summing: that is (Unconditional) expected time for C-B $= 1.4 \times (\text{Prob. I-C takes 1 hour}) + 1.6 \times (\text{Prob. I-C takes 2 hours}) = 1.4 \times 0.6 + 1.6 \times 0.4 = 1.48$ hours

Similarly, the (unconditional) expected time for B-A $= (2 \times 0.5 + 4 \times 0.5) \times (\text{Unconditional prob. C-B takes 1 hour}) + (2 \times 0.8 + 4 \times 0.2) \times (\text{Unconditional prob. C-B takes 3 hours})$.

The unconditional probability that C-B takes 1 hour is simply the average of the two conditional probabilities (0.8 and 0.7) that it takes 1 hour: that is, $0.6 \times 0.8 + 0.4 \times 0.7 = 0.76$. Also, the unconditional probability that C-B takes 3 hours is the average of 0.2 and 0.3: $0.6 \times 0.2 + 0.4 \times 0.3 = 0.24$. Alternatively, it may be noted that C-B is certain to take either 1 or 3 hours, so the unconditional probability that C-B takes 3 hours is $1 - (\text{Unconditional prob. C-B takes 1 hour}) = 1 - 0.76 = 0.24$. Hence the unconditional expected time for B-A $= 3 \times 0.76 + 2.4 \times 0.24 = 2.856$ hours.

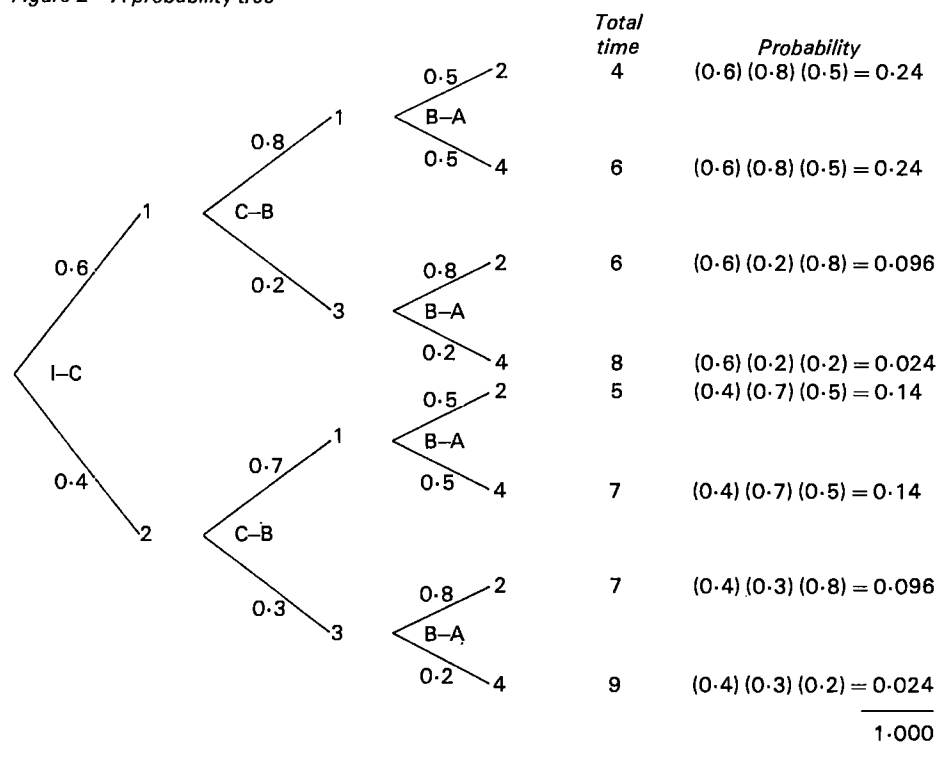
Under this new set of conditions, the expected time for I-C-B-A is the sum of

Table 2

Event	Time (hours)	Probabilities	
I-C {	1	0.6	
	2	0.4	
C-B {	1	0.8 } when I-C	0.7 } when I-C
	3	0.2 } takes 1 hour	0.3 } takes 2 hours
B-A {	2	0.5 } when C-B	0.8 } when C-B
	4	0.5 } takes 1 hour	0.2 } takes 3 hours

Student Roundabout

Figure 2 A probability tree



the unconditional expected times of I-C, C-B, B-A; that is $1.4 + 1.48 + 2.856 = 5.736$ hours.

Probability trees

This argument has been set out at some length to illustrate the general principle that the expected value of any variable quantity, whether it be time, probability or some other magnitude, is found by

multiplying the different values of the variable by their respective probabilities and adding the products.

The calculations in problems of this kind are conveniently set out diagrammatically in the form of a probability tree (Fig. 2). (A 'tree' in this context is a network with the special property that no branch of the tree rejoins a sequence of branches from which it has once divided.) The advantage of this proce-

ture is that there is less likelihood of omitting a stage in the calculation, which is important if there are several events in sequence.

Each line in the tree is known as a 'branch', and the interval horizontally between points at which branches divide is called a 'stage' of the tree. In this diagram there are three stages corresponding to the three events I-C, C-B, B-A shown in Table 2. Since each branch divides into 2 at each stage of the tree there are 2^3 or 8 terminal points at the third stage and therefore 8 distinct routes through the tree.

In this problem, a route is simply a combination of times which the three events might take. Thus the upper route through the tree represents the combination of times: 1 - 1 - 2 for the activities I-C, C-B, B-A respectively. The total time taken by this route is 4 hours.

Repeating a former argument, suppose that the whole sequence I-C-B-A is performed 1,000 times. Then on 600 occasions (on average) I-C takes 1 hour. On 0.8 of these (that is, 480 occasions) C-B takes 1 hour; and on 0.5 of these occasions (ie 240) B-A takes 2 hours. Hence the probability of the route 1 - 1 - 2 is $240/1,000$ or 0.24. It will be seen that this probability can be directly obtained by taking the product of the probabilities of each of the branches on this route, that is $(0.6)(0.8)(0.5) = 0.24$.

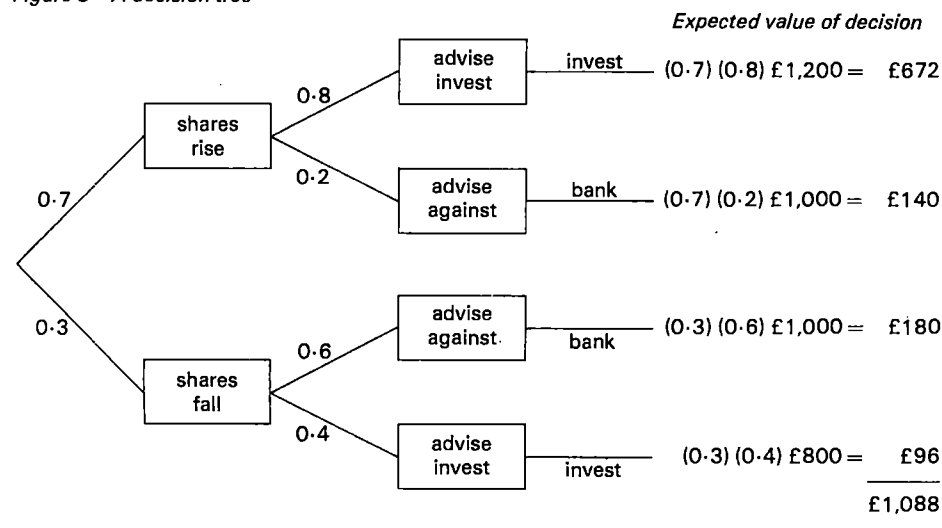
This provides an easy method for evaluating the probability of each route (combination of times) through the tree. Since the 8 routes are mutually exclusive and one of them must be taken, the sum of the probabilities of each total time must be 1 (representing certainty). The final step in the solution consists of finding the average of the eight possible total times, using their respective probabilities as weights, that is:

Expected time for I-C-B-A = $4 \times 0.24 + 6 \times 0.24 + 6 \times 0.96 + 8 \times 0.024 + 5 \times 0.14 + 7 \times 0.14 + 7 \times 0.096 + 9 \times 0.024 = 5.736$ hours, which is the same as the result previously obtained.

Decision trees

A probability tree is just a device for evaluating one among a number of alternative courses of action under uncertainty. In our original problem there were six alternatives I-A-C-B, I-C-

Figure 3 A decision tree



Student Roundabout

A-B etc., and we should therefore need six probability trees to evaluate the expected time of each alternative, and then choose that with the shortest expected time.

A decision tree is similar in conception to a probability tree except that the effect of a decision is built into the tree. The result is to indicate whether and under what conditions of cost the decision is worth while.

To illustrate, suppose that a company has a choice of investing £1,000 in equities or leaving it in the bank. It is known that there is a 0.7 probability that if it is invested the stock will appreciate to £1,200 and a 0.3 probability that it will depreciate to £800. (If it is left in the bank, of course, its value is unchanged.)

The rational course is to invest, since this results in a net expected gain of £80 (£1,080 - £1,000). However, it cannot be denied that there is some risk of losing £200 (£1,000 - £800). To offset this risk the company may decide to consult a stockbroker.

It is known that if the shares are going to rise, there is a 0.8 probability that the broker will advise investing, whereas if the shares are going to fall there is a 0.6 probability that he will advise against. The question is, what is the maximum fee which it would be worth while paying the broker to obtain his advice? The situation is illustrated in Fig. 3.

The expected value of consulting the broker and following his advice is £1,088. The remaining alternatives are investing without consulting (expected value £1,080) and leaving the money in the bank (expected value £1,000). Hence it will be worth while consulting the broker if his fee is less than £8, the difference between the expected value of doing so and that of the next best alternative.

A final question: what is the most that one would be prepared to pay the broker if he were omniscient?

Moderate MRS Claim by ACASS

The Association of Chartered Accountant Students' Societies have worked out the figures which they consider to be reasonable minimum registrable salaries (MRS) for the year beginning May 1st, 1980 - £2,700 for the capital city and £2,100 for outside London. These are clearly not extravagant demands - as Ian Davies points out, the cost-of-living estimate jointly worked out by CASSL and the London District Society was considerably higher than this at £3,521 ('Roundabout', July 5th).

The ACASS figure is left even further behind if the inflation rate is taken into

account. Despite minor differences in the way in which cost-of-living surveys are carried out, it is fair to say that, using only the most basic needs, they are consistently higher than the MRS (eg, Manchester's figure was £3,196).

There are still some students earning less than this basic. ACASS roughly estimate that between 12 and 15 per cent of students are in this category. As the results of the recent Exeter survey showed, some students even in the third year of a four-year training contract are earning little more than the £1,650 minimum set by the Institute. The low salaries are not confined to Exeter.

CPE AND EEC

'To today's school-leaver, graduate, or business executive contemplating gaining an accountancy qualification there is a very clear message: your accountancy education will not, and must not, end with the gaining of the qualification'. Mr James Fisher, MSc, FCCA, President of the Scottish branch of the Association of Certified Accountants, speaking at a recent careers convention, stressed the importance of continuing professional education in the light of EEC membership.

Accountants should be constantly updating their knowledge, 'irrespective of whether or not the EEC's views on compulsory CPE become law'. The Association's own view was that members should undertake at least 35 hours annually.

'We feel that accountants have a duty not only to emulate but also to lead their counterparts in other sectors of industry and commerce in the awareness and appreciation of changing industrial and

commercial practices.' He warned that if the profession did not recognise this itself, it might be forced to do so.

ICAEW TRAINING CONTRACTS Probationary Period

The Education and Training Directorate of the Institute of Chartered Accountants in England and Wales has issued the following statement:

'An amendment to the Employment Protection (Consolidation) Act 1978 which varies the qualifying period of 26 weeks for unfair dismissal complaints to an industrial tribunal to 52 weeks has enabled the Institute to revert to a 52-week probationary period in the students' training contract. Clause 4 (i) of the training contract will, for contracts submitted for registration after December 31st, 1979, be amended to refer to 48 weeks instead of the present 22 weeks.'

With effect from January 1st, 1980, the fee for registering a training contract will be increased from £30 to £40.'

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS

Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

Notice Board

PROFESSIONAL NOTICES

Burton Oster & Co, accountants of Manchester, announce the opening of a new office in Hong Kong, at 10th Floor, 20 Stanley Street, Hong Kong.

Deloitte Haskins & Sells announce that with effect from November 1st, 1979, Mr Graham Cole, BA, FCA, and Mr Timothy P. Pope, FCA, have been admitted to partnership in the UK and London firms. Mr Robert P. Bradshaw has transferred to the Channel Islands firm of Deloitte Haskins & Sells with effect from November 1st, 1979; he was previously a partner in the Ghanaian firm. Mr W. Allan Heap has retired from partnership in the UK and Bradford firms with effect from October 31st, 1979.

Ernst & Whinney, Continental firm, announce with deep regret the sudden death of their partner Mr James E. Hay, CA, in a motor accident in Liberia. He had been with the firm since 1965.

Malpas, Simmons & Co and C. G. Latchem & Co, Certified Accountants, announce the merger of their practices from October 1st, 1979. Mr D. G. Latchem retires due to ill-health and his

partner, Mr E. R. Hadaway, becomes a partner in the new firm. The combined practice will be carried on in the name of Malpas, Simmons & Co (incorporating C. G. Latchem & Co) at 31a Market Place, Salisbury.

Pannell Fitzpatrick & Co announce that Mr Oliver F. Bulmer, BA, ACA, and Mr Edward B. Middleton, FCA, are being admitted to the London partnership. Both men have held senior positions in the firm for some years. Mr John J. C. Nugent, ACA, is being admitted to the Jersey partnership, where he is currently a manager.

Pannell Kerr Forster & Company, have appointed Dr Peter Kendell and Mr Peter Childs, formerly partners of Business Economic Planning, as directors.

APPOINTMENTS

Mr J. S. Burns, CA, has been appointed financial director of Private Patients Plan.

Mr Brian D. Jordan, FCCA, FCIS, FCT, has been elected to the board of Laurence Scott Ltd.

Mr Tom Macnab, CA, has been appointed group financial controller of Fine Fare Limited.



Mr Geoffrey H. Dodsworth, FCA, MP for South-west Hertfordshire since 1974, has been granted the stewardship of the Chiltern Hundreds – the traditional avenue for a Member to resign his seat. He has recently found increasing difficulty in combining his Parliamentary duties with the managing directorship of Grindlays merchant banking division.



Mr T. Macnab



Mr J. Tufnell

Mr Michael J. Tufnell, ACMA, has been appointed to the board of Protector Safety Products (UK) Ltd.

Mr R. M. M. Williams, FCA, has been appointed to the board of Dundonian Ltd.

Mr George Williamson, ACCA, has been appointed to the board of Fairey Holdings as financial director.

RETIREMENTS

Mr J. O. Broad, FCA, has retired as deputy chairman of Federated Insurance Company Ltd.

CPE THROUGH HOME STUDY

Accountants in practice are being provided with a new updating service as part of their CPE. The Institute of Chartered Accountants in England and Wales has joined with the tutors Chart Foulks Lynch to produce a package course which includes material for 60 hours of structured study.

The course adapts the well-tryed home study method of tuition to the needs of qualified accountants by providing cost effective training material of high technical quality. Case studies are included and may be submitted for assessment to give a guide to personal progress through the course. On satisfactory completion of the case studies, a CPE certificate is provided.

Inquiries should be addressed to the ICAEW Courses Department, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ (01-628 7060).

GOLD AND SILVER

We regret that Mr E. B. Bishop, FCMA, JDipMA, FCIS, chief planning officer-financial of Burmah Oil Trading, was incorrectly described as an ICMA Gold Medallist on page 611 of our October 25th issue.

Mr Bishop in fact appears in the ICMA *List of Members* as 'Institute Medallist 1962' but asks us to point out that, at that date, the Institute had both a gold and a silver medal, his own award falling into the latter category.

The award of silver medals has since been discontinued, and all holders of either the gold or the silver medal are now designated 'Institute Medallists'.

MOVE POSTPONED

The planned move of the Occupational Pensions Board's Secretariat has been postponed indefinitely. The Board's executive office will continue to be at Apex Tower, High Street, New Malden, Surrey KT3 4DN (Tel: 01-942 8949).

STATE SCHEME PREMIUMS

Market Level Indicators

The new state pension scheme which started in April 1978 allows contracted-out occupational pension schemes in certain circumstances to transfer the responsibility or part of the

Notice Board

responsibility for their members' guaranteed minimum pension rights to the state scheme by the payment of premiums.

The premiums concerned are limited revaluation premiums, accrued rights premiums and pensioners' rights premiums. Their amounts are, in part, related to stock market levels at the time they become due, under the State Scheme Premiums (Actuarial Tables) Regulations 1978 (SI 1978 No 134).

For October 1979 the average market level indicator for accrued rights premiums and limited revaluation premiums is 70. The corresponding average market level indicator for pensioners' rights premiums is 75.

ROBERT MARK FOR THE 7.30

One of the most stimulating and controversial evenings in any accountants' group programme will be held on November 13th, when Sir Robert Mark, former Commissioner of the Metropolitan Police, is to address South-West London chartered accountants on 'Are we becoming an ungovernable society?' In the chair will be Mr Ian Hay Davison, BSc(Econ), FCA, and distinguished guests are expected to include Messrs David Richards, FCA, ICAEW President, and Brian Price, FCA, Chairman of the London District Society.

Tickets for this event, 7 for 7.30 pm at Sandown Park Racecourse, Esher, are available from Mr A. R. Lewis, Fraser Nash Group Ltd, Burgoine House, Lower Teddington Road, Hampton Wick, Surrey (01-977 0051), price £2. Light refreshments and a cash bar will be available.

LAVY TEACHING FELLOWSHIPS 1980

The purpose of Lavy Fellowships is to encourage suitably qualified members of the six CCAB recognised bodies to study for a relevant higher degree as a prelude to a teaching career in accountancy. Except in the case of university graduates seeking a second degree by a one-year course, the committee makes its awards for approved two-year courses at UK universities and other institutions of advanced study. The awards may be of up to £6,000 per annum plus course fees.

Applications should be submitted in an envelope marked 'Lavy Fellowships' to the Secretary (Trusts), the ICAEW, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2R 6EQ. The closing date for receipt of completed application forms is February 14th, 1980, and a selected short-list of candidates will be invited for interview in the spring of 1980.

HELP WANTED

Women's Aid Croydon – a voluntary body set up to cater for victims of violence – is seeking the assistance of a part-time honorary treasurer. Any accountant living or practising in the Croydon area who can offer a small amount of time to deal with such matters as PAYE for a small office staff, and general advice to the committee on all financial matters, is invited to contact Mr Howard Long of the Croydon Society of Chartered Accountants at 01-588 3541 (office) or 01-656 5680 (home).

ICAEW CENTENARY ITEMS

A range of centenary commemorative items has been specially commissioned by the Institute of Chartered Accountants in England and Wales, ranging from a tie in dark blue, maroon or green, at £3.50, to a sterling silver pen tray modelled to the same designs as the Institute's collection of modern table silver and costing approximately £450 (including VAT), depending on the price of silver at the time when the order is executed.

Orders and enquiries for the tie should be addressed to Chartered Accountants' Hall, and for the pen tray to Professor Gerald Benney, Beenham House, Beenham, nr Reading, Berkshire.

Other items, details of which have yet to be announced, are a special range of four items in bone china and fine crystal, and an illustrated history of the Institute by Dr Tom Margerison. A special centenary franking has also been approved by the Post Office for use by member firms during 1980, and dies compatible with Pitney-Bowes and Roneo Neopost franking machines can be ordered from those companies.

Members of the Institute are also reminded that December 31st, 1979, is the closing date for concessionary rate bookings for the Centenary Conference to be held at the Royal Festival Hall from May 12th to 15th, 1980. All bookings received after that date will be charged at the full rate. Details and application forms are available from the Courses Department of the Institute at PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ (01-628 7060).

John Foord
chartered surveyors
plant and machinery valuers

"Flexi25" For people who want a life policy, not a life sentence.



Scottish Amicable introduced the original Flexidowment to age 65 and now offer Flexidowment for 25 years.

"Flexi 25" for short, by adjusting the life cover for all lives under 40, gives better guaranteed cash values to savers. For those over age 40 looking for additional life cover with their savings plans "Flexi 25" gives the option of a longer term.

At the same time, the new policy retains all the features which made "Flexi 65" so

FLEXIDOWMENT

for 25 years



successful - guaranteed cash values plus bonuses at policy anniversaries from 10th onward - flexibility through the £1 unit of premium - the replacement option and increase options.

If you would like more information about "Flexi 25," the new addition to our flexible policies, please contact your local Scottish Amicable branch or write to the Agency Manager, Scottish Amicable, 150 St. Vincent Street, Glasgow. G2 5NQ.

SCOTTISH AMICABLE

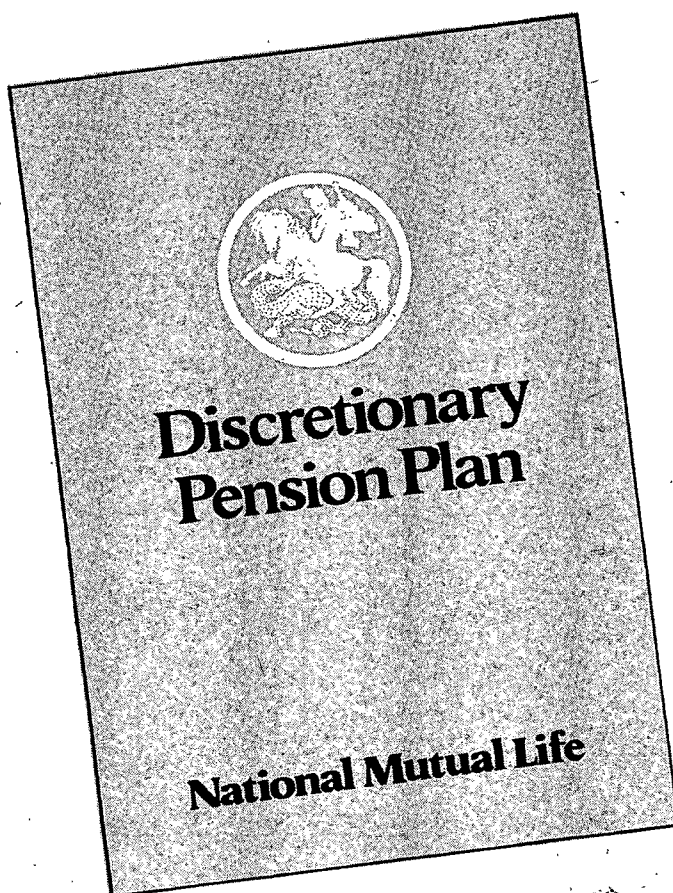
LIFE ASSURANCE SOCIETY



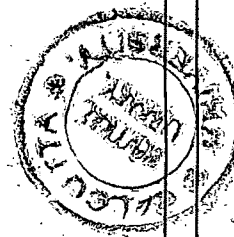
You can look forward to an easier life selling our I.P.A.

We call it the D.P.P.

29 JAN 1980



- ☐ Competitive rates.
- ☐ Free cover available for one life.
- ☐ Generous early retirement terms.
- ☐ Open Market Option.
- ☐ Life assurance continuation option.
- ☐ Clear, attractive presentation.
- ☐ Efficient administration.



National Mutual Life

National Mutual Life Assurance Society (Founded 1830)
5 Bow Churchyard (off Cheapside) London EC4M 9DH
(Registered Office) Telephone: 01-236 1566

Registered in England No. 48949C

Member of the Life Offices' Association

Registered as a newspaper at the Post Office. Printed and published in Great Britain by GEE & Co (PUBLISHERS) LIMITED, at The Priory Press, St Albans, Herts.
Editorial and Advertisement Offices: 151 Strand, London WC2R 1JJ. Tel. 01-836 0832. Cables: COUNTA. London WC2.
Published every Thursday, price 30p per copy. Post-paid subscriptions: £22 per year; £12 half-year. By Airmail: £28 per year; £15 half-year.
Concessional rate for registered students: £11.50 per year (forms on application from the publishers).

© Gee & Co (Publishers) Limited, November 8th, 1979.

GEE

THE

ACCOUNTANT

ESTABLISHED 1874

NOVEMBER 1974

50p

68



It's Later Than You Think

If you have not already placed your order for the 1980 editions of *The Accountant* diaries, please use the form below to do so now.

THE ACCOUNTANT *Diary 1980*

LABEL

NAME _____

APPOINTMENT HELD _____

COMPANY NAME _____

ADDRESS _____

If undelivered please return to
GEE & CO. (PUBLISHERS) LIMITED
151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Notes _____

STRICTLY CASH WITH ORDER
DESPATCH OF DIARIES WILL BEGIN DURING NOVEMBER
NO ACKNOWLEDGEMENT OF ORDER WILL BE SENT

ORDER FORM

THE ACCOUNTANT *Diary*

Please supply

	Price each inc. Postage & Packing	Quantity*
DESK DIARY	£5.20	
POCKET DIARY	£4.15	

*Insert number of copies required above

Diary Total: £ _____

plus VAT @ 15% £ _____

Remittance enclosed: £ _____

VAT Registration No. 239 1838 41

Registered in England 115503

THE ACCOUNTANT

The Professional Weekly

Vol. 181. No. 5468

NOVEMBER 15th, 1979

Editor:

M. Barradell, LLB, FCA

151 Strand

London WC2R 1JJ

Telephone 01-836 0832

In this Issue

686

Depressing Horizons

692

Celebrations Dimmed by
International Problems
Edward Symonds

697

Après L'Audit
Alex Harrison, FCCA, FCIS

698

Closing the Gap
Derek Bandey

705

Group Treatment

707

Proposed New
Employment Laws

711

Alping the Fashion

720

Top-slicing Relief
Felice V. Slade, FCA

Current Affairs 686

This is My Life 690

Accountant Abroad 692

Reviews 700

Revenue Report 705

Current Law 707

Financial Accountant 711

Letters 719

Student Roundabout 720

Notice Board 724

Cover: A gap that may take some closing! – and a colourful introduction to Mr Bandey's article on page 698.

A Matter of Incomes

In the past five years the Royal Commission on the Distribution of Income and Wealth has produced eight reports and as many background papers. Report No. 8 (Cmnd 7679, HMSO, £7) just published marks the end of the Commission's labours – and is one of the most interesting.

In this last report, the Commission examines two major topics. First, it looks at the distribution of earnings and seeks to explain the differences in earnings between occupations and industries. Second, it reviews the earnings of the self-employed, their size and distribution in relation to the earnings of the employed. While the figures used are somewhat dated, it is reasonable to assume that no major changes have occurred to affect the conclusions drawn.

Only one in every hundred persons earned over £9,722 in 1974–75 but, of their number, 72 per cent were self-employed. (The latter, for purposes of this classification, include directors of close companies since they are more akin to the self-employed than employees in the true meaning of the term.) The aggregate income of the self-employed accounted for over a third of total income in the top 10 per cent of incomes; the proportion rose to three-quarters in the top 1 per cent.

In 1976–77, just over half of all self-employed solicitors were in the top 5 per cent of the self-employed, with incomes over £9,036. The comparable proportion in the case of self-employed accountants, barristers and doctors was one-third.

According to the Report, between 1971 and 1976 the real growth in women's earnings was almost three times that of men's – doubtless due to the combined effects of equal pay legislation and the then Government's pay policy. Nevertheless, concludes the Commission, even in 1978 women were much worse off than men in the UK, and the difference was greater than in several other European countries.

The change from estate duty to capital transfer tax, and the reliefs granted in respect of business assets in regard to CTT, have significantly reduced the burden of tax in some areas. The Commission has prepared tables showing the effect of these changes upon various sizes of estate where it passes half to the surviving spouse and the balance of business assets to the son. Such an estate valued at £200,000 in 1974 would have paid duty at the rate of 37.3 per cent; by 1978, if the asset values had kept pace with the retail prices index, the estate would have been worth £374,000 while the proportion paid in duty would have dropped from 37.3 to 5.6 per cent. Nevertheless, as the Commission concedes, some part of the duty is merely deferred.

An illustrated presentation of the 'more important' findings of the Royal Commission is to be produced next year. It will be interesting to see just how the authors present some of these highly debatable statistics.



Depressing Horizons

Economics, once called the 'dismal science', is well on the way to deserving that name. Recent commentaries on the prospects for 1980 in various professional notes do not offer much cheer.

The Henley Centre for Forecasting states bluntly that a sharp drop in profits is to be expected next year, coupled with a rapid growth in corporate financial deficits. Some slight consolation is offered in the expectation that, now that sterling is beginning to drift downwards a little, overseas earnings of UK companies may improve.

The authors of the Simon & Coates weekly letter, usually slightly more optimistic than some of their contemporaries, are not encouraged by the outcome of the recent meetings of the International Monetary Fund and World Bank. In particular, they take a less than enthusiastic view of the prospects for the

US economy, given that the US monetary authorities seem determined to correct domestic inflationary pressures by tight credit and high interest rates.

Nearer home, Barclays Bank *Financial Survey* provides an interesting review of the current debate upon the UK Government's monetary policy and observes that recent pronouncements by the Chancellor of the Exchequer underline the conviction that, above all else, 'genuine monetary restraint must, at last, become a reality.'

The economic forecast from de Zoete & Bevan does nothing to encourage the optimist in such matters. They believe that the first half of 1980 will witness a rapid fall in exports while producers and other businesses will reduce stock levels; during the second half of next year, recessionary pressures will be continued by falling consumer spending and lower capital investment.

sure to spend its way out of recession'.

'In all cases where money is borrowed to acquire assets of the nature of investments capable of producing income or creating economic activity', Mr Goldsmith says, 'the interest thereon should be eligible for relief'. Other measures by which the Institute proposes to encourage greater investment by individuals are the abolition of the investment income surcharge altogether and the abolition of capital taxes. The Chancellor should also encourage the introduction of share incentive schemes for employees by making the tax provisions more attractive.

Lump Sum Investment

An increasing number of people, many of them in the middle income bracket, are becoming increasingly concerned with the problem of maintaining their capital and savings intact in an era of inflation. Nor are they always greatly helped by the wide range of much-publicised alternative investment opportunities available to them. Even the person who is prepared to pay for professional advice will often wish to apprise himself of the basic alternatives open to him before he consults the specialist.

Most professional accountants will have had experience of being asked their advice or views on particular investments and will know just how difficult it is to make a choice without first ascertaining the circumstances and needs of the questioner. While there is a good range of publications on investment matters, not many are really suitable for the layman, whatever their authors may have intended.

Readers who are likely to be approached by friends and clients on such matters may find it helpful to be able to direct them to a simple exposition of the options open to the person with some savings to invest, as well as the various considerations that need to be taken into account when deciding on the best investment. Any ensuing discussion or consultation can then be more illuminating and to the point.

A small booklet of 50 pages entitled *Living with Inflation* by Julian Gibbs and sub-titled 'A simple guide to lump sum investment' seems to be well designed to meet current needs. It is

Accountants at the Mansion House

Last Saturday's Lord Mayor's Show marked the conclusion of a highly successful term of office for Sir Kenneth Cork, GBE, FCA, at the Mansion House, and also calls to mind the profession's previous representatives in the Mayoralty. Prominent in that distinguished band is the name of Sir Edward Cecil Moore, FCA - the first chartered accountant to occupy Dick Whittington's chair (1922-23) and the only man hitherto to combine, at the same time, the offices of Lord Mayor of London and President of the Institute of Chartered Accountants in England and Wales.

Sir Edward also holds the more melancholy distinction of having died during his term of office as President; he was injured in a street accident in May 1923, and subsequently contracted a serious illness from which he never recovered. He was a son of the founder of the present practice of Edward Moore

& Sons, and the anniversary of his death (December 7th) was preserved by the firm for 50 years thereafter as its internal accounting date.

Other accountants who have attained the City's highest office are Sir Stephen Killik, FSAA (1934-35); Sir Maurice Jenks, FCA (1939-40); Sir Frederick Rowland, FCA (1949-50); and Sir Harold Gillett, MC, FCA (1958-59).

Directors Say 'Abolish Capital Taxes'

The Government should make further reductions in direct taxation, abolish capital gains and transfer tax and encourage individuals to invest by allowing interest payments on investment loans against tax, according to the Institute of Directors. In an early Budget submission to the Chancellor of the Exchequer, the Director-General of the Institute, Mr Walter Goldsmith, urges the Government 'to hold fast to its chosen course of action and to resist pres-

Current Affairs

available from the author at 9 Manchester Square, London W1, price £1. It is not, nor does it claim to be, comprehensive, but it is informative and should enable the intelligent layman to ask relevant questions when he meets his investment adviser.

President 'Concerned' on Merger Trend

The recent trend among accountancy practices to merge into ever-larger units is a cause of 'some concern' to the President of the Scottish Institute, Mr D. B. Grant, TD, CA. Speaking recently in London, he said that the Scottish Institute must maintain the interests of individual members, and was bound by the terms of its Charter 'to promote and safeguard the rights and interests of its members in all matters affecting the profession'.

He also dismissed the idea of a gulf between the interests of members in public practice and those employed in industrial and commercial appointments.

'There is no gulf', he stated. 'Each and every member is a professional chartered accountant, trained and qualified in the same way, subject to the same ideals, objectives, rules and discipline, and bound by the same ethics.'

'Both branches have common objectives, and provide similar services in their respective employments. We are, and should continue to be, one profession.'

Moonlighting Is Theft

'There are no hard facts and figures available whatsoever' to identify the self-employed as the sole or major element of the 'black economy', Mr David Dexter, FCA, claimed last week.

In a hard-hitting speech to the national council of the National Federation of Self Employed and Small Businesses - of which he is vice-chairman - Mr Dexter claimed that the self-employed accounted for only one out of every fifteen potential tax evaders. For every self-employed person, there was also one nominally unemployed person and no fewer than 13 employees with the capacity to 'moonlight'. Further, these figures did not take into account

Indigestible Accounts

One catering company is bravely poaching its way into accounts. Sutcliffe Catering's computerised service is a matter, not of cooking the books but of computing the cooking.

Catering for the kitchen accounts is no easy matter. With the many individual overheads and cost variables, as Sutcliffe point out, you might think you have bitten off more than you can chew.

Not a bite of it. Caterscan is an ambrosian dream, or the accountant's cure for dyspepsia - it's part of an American-based complex linked by satellite to the UK to provide information which will help companies to plan and control the cost of their catering facilities more easily.

For canteen managers who can't stand the heat of the kitchen, or whose costings are hard to swallow, it may make the accounts less indigestible.

housewives, retired persons and students.

'We have repeatedly asked the Revenue to treat employees in the same manner in which we [the self-employed] are treated for in-depth investigation', he said. 'The self-employed, having to submit quarterly VAT returns and annual accounts, are wide open to investigation in comparison to the employee. Despite our requests, we see no evidence to suggest that the Revenue is at all vigilant in tracking down evasion by employees.'

'If a self-employed person has evaded tax, that person is simply guilty of tax evasion. By contrast, the moonlighting employee often does his freelance work in his employer's time, on his employer's premises and using his employer's materials. He is not only a tax evader but also a thief.'

Mr Dexter also disputes the Revenue claim of an 80 per cent success rate in the investigation of self-employed accounts. There are, he says, 'a percentage of people who are innocent, but who give up fighting and pay'; further, 'human nature being what it is, we suspect that many investigations which come to nothing are not reported by local Inspectors'.

Discharge Granted

The controversial 'never again' formula devised by Mr Registrar Price in the London Bankruptcy Court last week (*The Accountant*, November 8th) has been accepted. Mr Leopold Heilpern was granted his discharge from a £3 million bankruptcy after formally undertaking never again to engage in business other

than under his own name, and never to be directly or indirectly concerned in the management of a limited company.

Explaining that this order had been framed to fit the facts of an unusual case and to protect the public, the Registrar said that Mr Heilpern 'could end up in prison' if he departed from his undertaking. The bankruptcy was undoubtedly a bad case in which it would normally have been right to refuse a discharge, and the Court was taking an unusual course only because the stress of continued proceedings might endanger Mr Heilpern's already declining state of health.

Ordinary or Extra-ordinary?

Judgment has been given, 'after much splitting of dignified hairs', in an action commenced in Dublin between Royal Trust Company of Dublin and the Revenue Commissioners. The subject was the degree of information which the Commissioners were entitled to claim as regards income derived from assets transferred abroad.

The bank claimed that it had already complied with a notice served on it by the Commissioners under section 59 of the Irish Republic's Finance Act, looking for certain information as outlined in section 54 of the Act - in this case, the income derived from certain costs transferred. The bank claimed that it was not obliged to furnish any details of ordinary transactions on behalf of a customer in the course of ordinary banking business; it had furnished information as to the formation or management of bodies corporate, and as to the

Current Affairs

creation or execution of trusts of settlements, which they had been concerned with on behalf of customers. They did not keep records relating to transactions involving introductions to banks abroad; nor did the bank consider it was obliged to mention incomes, which would be unfair to the person concerned.

The Court declined to exempt the bank from disclosure. A fuller report will appear next week.

Wealth for Ireland's Working Wives

Irish homes are buzzing happily, following the ruling of the Republic's High Court that the present (and long past) basis of taxing married women who were in receipt of salaries or wages was unconstitutional. The foundation of taxing married couples is that the wife has no income, so that the husband's income is the basis of the ultimate tax assessment, following deductions for the various statutory allowances.

If a couple have decided not to be married, but are merely living together without benefit of clergy, each of them has a separate personal allowance. If however the wife is working and therefore in receipt of an income, she discovers that her income is merged with her husband's, but he is given only one personal allowance to set off against his taxable income. The married pair find that they are paying far more tax than the two 'shacker-uppers', and their natural reaction is to plead discrimination in favour of the single pair. The High Court has listened to their pleading, and has denounced the unfair system which has survived since the Republic's Income Tax Act of 1967.

The stricken Government is appealing, since the change is calculated to cost £25 million annually.

The High Court has a strong case, however, resting on Articles 40 and 41 of the Republican Constitution, which deal with the personal rights of citizens and the primacy of the family unit; thus for a married couple to pay more tax than do two single people living together constituted discrimination against married persons.

The sage who said that virtue was its own reward appears to have barked up the wrong tree.

What is There Left to Tax?

The ICMSA (Irish Creamery Milk Suppliers Association) has proposed a number of tax options to replace the government's accounts system. The ICMSA insists that it has accepted the principle of tax for farmers, but will not accept the present system.

The president told a press conference that the prime objective of a system must not be yield alone, which would ruin initiative and enterprise as well as removing finance needed for re-investment. The nature of farming, he said, meant that its tax contribution 'need not be made in a manner similar to other sectors of the community'.

The ICMSA stressed that a proper system should encourage the continuation of farming on normal family-type farms, and should only tax farmers with taxable incomes. Increased production and efficiency should be encouraged by not taking account of profits reinvested in increased livestock, machinery and buildings for farmers participating in farm development programmes. Free depreciation should be allowed for

approved investments under the modernisation schemes, tax reduced where output was increased, and livestock assessed at 'nil' value.

The impression left was that any tax payment whatsoever were considered unjust and that farmers making profits should keep them all.

'Advanced Stage' on UK-US Merger

Negotiations for the establishment of a new international accountancy practice stood 'at an advanced stage' this week between Thornton Baker in the UK and Alexander Grant & Co in the US. Pending the outcome of discussions with major firms in other countries, no decision has yet been taken on a possible international name.

The Thornton Baker-Alexander Grant combination could muster at least 5,000 personnel in more than 100 offices throughout the UK and America. In the UK, Alexander Grant was formerly associated with Tansley Witt & Co, whose practice was dispersed earlier this year in a series of mergers with other firms.

OBITUARY

Charles Urie Peat, MC, MA, FCA

We deeply regret to record the death of Mr C. U. Peat, President of the Institute of Chartered Accountants in England and Wales in 1959-60, at the age of 87.

Mr Peat distinguished himself, both in the community and in his profession, in several capacities. A son of the founder of the present Peat Marwick Mitchell practice, he was articled in the family firm and qualified as a member of the Institute in 1920, after service in the First World War which gained him the Military Cross. He remained a partner in the firm for nearly half a century, and was a member of the Council of the Institute from 1944 to 1962.

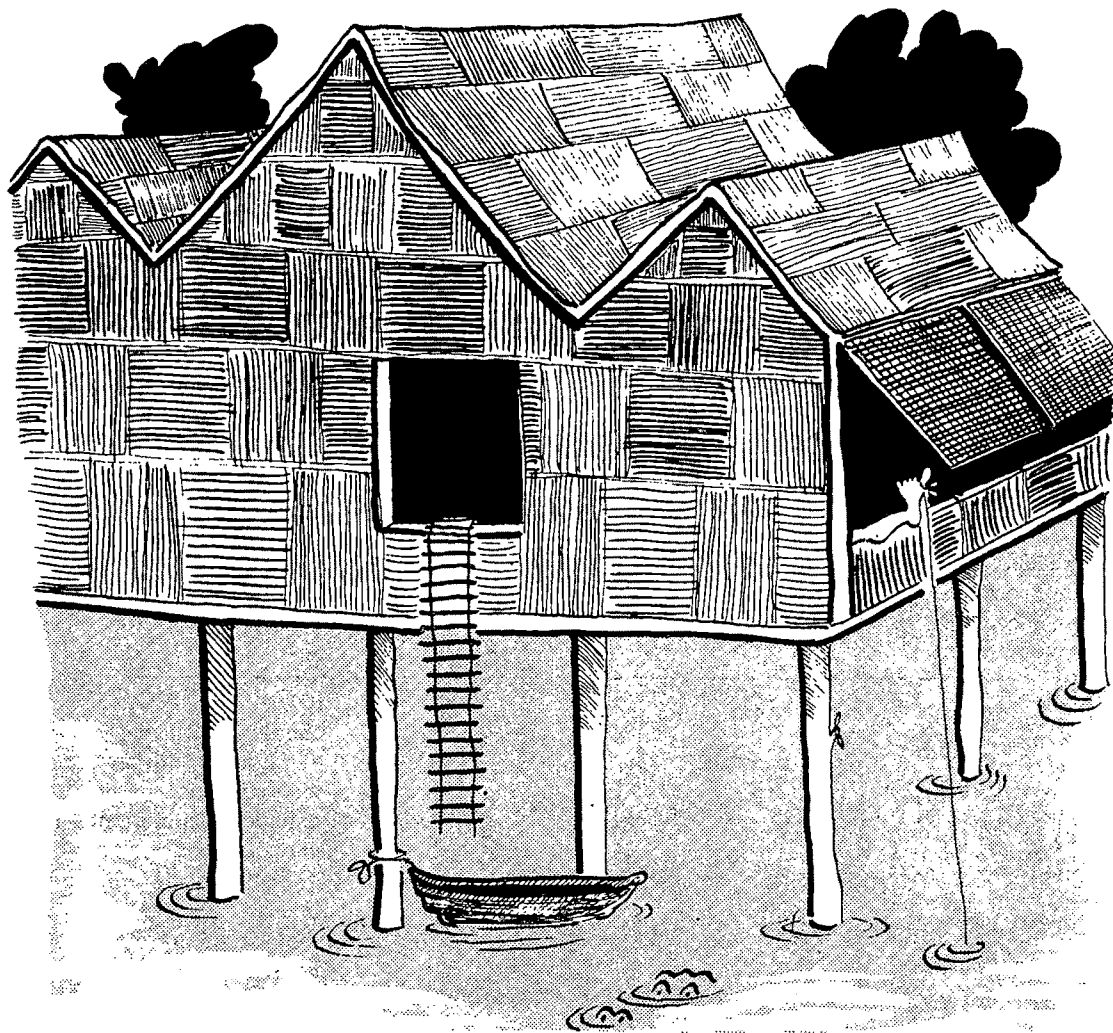
Though he sat as a London member, he had strong personal and family ties with the North of England; he was educated at Sedburgh, and in later years made his home at Barnard Castle. He represented Darlington in Parliament from 1931 to 1945, and served as Parliamentary Secretary to the Ministry of



Supply, and subsequently to the Ministry of National Insurance, in the wartime administration of 1941-45.

A memorial service for Mr Peat will be held at the church of St Lawrence Jewry, Gresham Street, London EC2, on December 12th at 12.15 p.m. We extend our sympathy to his family and to his many friends.

Hillier Parker's eye on the world - 1



Still the most effective architectural solution to rising damp, stilt buildings were developed primarily to increase productive efficiency. Not only were the raw materials for the basic structure and roof and wall claddings conveniently to hand but also the occupants could get on with the daily chores of catching, cleaning and cooking fish from their work-stations – usually in bed. It is not generally known that these buildings were the inspiration for basement car parks in office blocks in that the occupants merely fell out of bed into their transportation – an ideal which modern management now seeks for itself.

For office buildings throughout the United Kingdom (and anywhere else you fancy with or without car parking) Hillier Parker's office teams know their way around – for lessees and lessors, buyers and sellers.



Hillier Parker
May & Rowden

77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666
and City of London • Edinburgh • Paris • Amsterdam • Sydney • Melbourne • Brisbane

Current Affairs

Aid To Small Firms

The Government has gone beyond mere exhortation with new plans to help small business. The Department of Industry is to extend its small firms service and to help in the provision of workshop premises and have announced a scheme to provide finance for small firms.

The biggest problem for new business is to attract venture capital. The Department's scheme is confined to the Eastern region and the Post Office staff super-annuation fund; but the intention is to establish a nation-wide facility embracing a variety of investing institutions to improve access finance for small firms.

Farmers' Tax in Ireland

In a recent exclusive interview with the Irish *Sunday Independent*, the Republic's Minister for Finance lost patience with the divided farmers' lobby, and declared

that, from April 5th next, all farmers would have to pay income tax on full accounts and that the notional system would be abolished. However, there would be no tax charged from January to April, and the controversial 2 per cent levy would be abolished.

Farms under £40 rateable valuation would be clear of the tax net, compared with £20 previously, he said; his aim was payment in proportion to income, and the rooting out of tax evasion. He had recruited 550 tax inspectors for this assignment and the hiring of more would be a priority.

There would be no secret settlements, the Minister added. Investigations had unearthed huge-scale evasion, which from now onwards would lead to full interest charges, stiff fines and jail sentences.

Farm tax is contentious and complex, and it is in the Republic's interests to

encourage higher output and productivity on the land. Current tax measures provide generous incentives, but their complexity is underlined by the fact that the various farmer groups cannot agree on what would be a fair system.

As regards working wives, the only solution he saw was to take the total income of the couple, divide by two and then give each the same tax allowances.

Quote of the Week

'Where she is pregnant, a woman is no longer just a woman.' — Mr Justice Bristow, chairman of the London Employment Appeal Tribunal.

(By a majority, the Tribunal dismissed a case brought under the Sex Discrimination Act. The Act, it was held, did not apply because there is no male equivalent to a pregnant woman.)

THIS IS MY LIFE

Avenging an Old Rung

by An Industrious Accountant

I went down to the second floor to congratulate Gladys of Glass and China on her successful half-year's trading and the resultant bonus. Several thick heads had wagged enviously when she was appointed manageress; but thanks to a combination of impeccable judgement of her stocks and warm sincerity with customers, she had overshot her sales budget very satisfactorily.

She was talking to the deputy-chairman, so I turned to the chess tables just as a dignified elderly lady stopped to admire chequerboards laden with beautifully designed soldiers or mounted knights or courtiers. Something special for her sick husband, once an international player, she confided; and, as I've been playing chess since I was seven, we got deep into conversation.

Suddenly Gladys appeared beside us, red-faced and stammering unwontedly, to say that the deputy-c wanted me

urgently. My companion said rather bitterly 'So he's still a bad loser', and examined the price tags slowly.

The deputy-c was chewing his lower lip with anger. 'That was Mary Brown; I would prefer that you don't speak to her,' he grunted, and the penny dropped.

Long years ago, young Mary Brown worked in Evening Dress until the day she mounted a ladder to take down a box from a high shelf. Somehow the ladder slipped, a rung broke and she was badly hurt. The deputy-c rejected responsibility on the grounds that the girl was grossly careless, first in not examining the ladder which had in fact been put by for repair, next for mounting at a customer's request instead of waiting for the manageress, and finally for standing on the top rung without holding the rail. He offered a small sum in settlement, but she took her case to court. A bright young barrister wiped

the floor with the deputy-c on all counts — relations with staff, safety precautions and efficiency — and emerged with an enhanced reputation, a record lump sum and a bride instead of a client.

She drops in occasionally, I understand, but an unwritten law says that staff must ignore her as far as possible as punishment for giving the store a bad name in the past. Loyalty — or lawlessness?



Staff must ignore her as far as possible ...

DEALING WITH ASSESSMENTS MAY BE YOUR BREAD AND BUTTER, BUT TO OUR COMPUTER IT'S A PIECE OF CAKE

CTS, the specialists in practice automation announce

TACS

the Taxation Assessment Control Service.

This exclusive new facility enables the Practitioner to keep control over outstanding assessments and clients' payments of tax liabilities.

TACS provides: —

A REGISTER of all outstanding assessments with comprehensive information, including automatic calculation of Due and Reckonable dates of tax payable. This register is updated every 15 days.

CALL SLIPS — reminding the Practitioner that a client's tax payment is becoming due or is overdue.

ADVICE SLIPS — Advising the client the amount of tax to pay by the date shown in order to avoid interest being accrued.

.....Sch A, Sch D, Corporation Tax, Capital Gains Tax and Higher Rates.....

**YOU CAN AFFORD TO FORGET THE WORRY OF ASSESSMENTS THAT ARE
OUTSTANDING.**

**YOU CAN AFFORD TO FORGET THE WORRY OF REMINDING YOUR CLIENT TO
PAY TAX.**

BUT

YOU CANNOT AFFORD TO FORGET TACS

*For the complete answer to
Clients requirements, contact:*

Lawrence Josephs
CTS Group
CTS House,
Masons Avenue,
Harrow,
Middx. HA3 5AH.
(Offices throughout the U.K.)
Telephone 01-863 0111.

TACS

The development of full spectrum of service to facilitate all the requirements of Accountants in practice, in support of their strive for practice and client profitability.



"The Specialists in Practice Automation"

CTS for Accounts Preparation, Practice Administration, Tax & Statutory Administration, Accounts & Report Finalisation and Management Services via Computer and Computer Bureau.

. . . By Accountants for Accountants . . .

Celebrations Dimmed by Overarching International Problems

American Institute's 92nd Annual Meeting

from EDWARD SYMONDS in the United States

The imposing reception that opened the 92nd annual meeting of the American Institute of Certified Public Accountants, held in New Orleans, Louisiana, from October 14th to 16th, fittingly set the tone for this year's professional stock-taking. The 200-strong high-school band was stirring, the mint juleps elegant, the jambalaya and shrimp Creole spicy and delicious. But there were no speeches, the lighting was subdued and the throng of nearly 3,000 members and guests was dwarfed by the tiers of empty seats and the cavernous roof over the world's largest enclosed sports palace.

This left room for the feeling that, although the affairs of the profession are in strong hands and its public standing is recovering from some of its recent reversals, the national and international environment is probably more threatening than it has been at any other of the Institute's post-war meetings. With the dramatic new programme to turn back the inflationary tide fresh in everyone's mind, the 50-year long shadows of the Great Crash of 1929 could not be entirely dispelled.

The following morning, the election of Mr William R. Gregory as chairman of the American Institute for 1979-80 was announced, thus confirming the practice of sharing the honours among larger and smaller firms. The new chairman has been managing partner of the Tacoma/Seattle, Washington, firm Knight, Vale & Gregory; he succeeds Mr Joseph P. Cummings of Peat, Marwick, Mitchell & Co, and will presumably be succeeded next year by his vice-chairman, Mr William S. Kanaga of Arthur Young & Co. He inherits an organisation whose membership has almost doubled, to more than 150,000,

during this decade; and whose revenues, mainly from the sale of publications, from courses in continuing professional education and from fees for the uniform CPA examination, now exceed \$30 million annually, allowing last year's surplus to reach \$1.6 million.

The Institute's other successes during the past year were recounted by the outgoing chairman. He claimed that the recent proposals by the Financial Accounting Standards Board (FASB) on supplemental current-cost statements, worked out with support from the Institute, had given a lead for which the world had been waiting, and which was likely to help the entire profession in restoring meaning to financial reports in a period of 8-15 per cent annual inflation. With the help of the new proposals, Mr Cummings believes that users will be able to move a long step forward in their efforts to build up reasonable estimates of cash flows of public companies for three to five years into the future.



Mr William R. Gregory, 1979-80 Chairman of AICPA.

Progress is also being made in heading off the authorities in their attempts, in the name of preserving professional independence, to curtail the range of activities undertaken by auditors. Release 264, in which the Securities and Exchange Commission has laid down guidelines on the scope of management advisory services, has served to spread new suspicions in the relationship between auditors and their clients. Although the SEC is refusing to withdraw its statement, the Institute is working with it to prepare clarifications that should undo some of the damage. This is considered one of the most urgent challenges now facing the practitioner in the United States.

On the other hand, the threat of government regulation extending across the whole range of standard-setting has been receding. With the death of Senator Lee Metcalf and the retirement this year of Representative John E. Moss, Congressional attempts to supersede the FASB and other professional standard-setters have adopted a milder tone. Practitioners are engaging in less self-flagellation than they did during the time of the Metcalf report (*The Accountant*, February 10th, 1977); and the recent hearings conducted by Senator Thomas F. Eagleton have been uncontroversial and relatively friendly. No repetition of the Metcalf broadside is expected.

The more hospitable climate in Washington may have resulted partly from the severity of the monetary challenges now facing the nation. But some credit is no doubt also due to the Institute's heightened awareness of the need to explain its position to the lawmakers and their staffs. With the help of the state societies, many of which run their own

Accountant Abroad

newsletters and keep in close touch with local political developments, the Institute has singled out a dozen key delegations in Washington, and has organised breakfasts for them with its chairman and its vice-president for government relations. The plan is for such offers of hospitality and enlightenment eventually to be extended to each of the 50 state delegations. Mr Gregory expects to be particularly active in helping the lawmakers to reach a better understanding of the professional issues of the day.

The Institute also claims fresh successes in organising its division for firms, which was set up two years ago and endows it with entirely new disciplinary powers over firms as distinct from individuals. The larger of the two sections of the division, that for firms with clients registered with the SEC, has been in full swing for more than a year and is looking forward to publishing a membership directory. This will help to overcome the objections of those who claim that membership is too costly, since it will provide an important new form of publicity for members and will presumably be taken by potential clients as evidence that the firm has nothing to hide and nothing to fear.

Controversial

The spread of peer reviews is much more controversial. These exercises have been considered one of the major purposes of the division for firms. The necessary machinery has this summer been put in place to allow reviews to be conducted by the section for firms with clients serving private companies, while the SEC section has already built up a considerable fund of experience with the reviews.

Outsiders remain sceptical whether it is reasonable – or even desirable – to expect improved performance to result from the ‘dog-eat-dog’ approach implied by peer reviews. Law firms and banks, for instance, have left no doubt that they would be astonished to find themselves called upon to pass judgment on the efficiency and integrity of their competitors. Moreover, members of the SEC section, with their widespread international operations, are at a loss to know whether or how engagements performed in Europe or elsewhere abroad can possibly be included within the peer

review edifice that is now being constructed.

Participants in the 92nd annual meeting were much too discreet to raise such basic questions as these. Yet there were many present, in addition to representatives of the ‘Big Eight’, who could have added insights based upon experience outside the United States. The English Institute was represented by its President, Mr David Richards, the Secretary, Mr John P. Hough, and others. The professional bodies of Ireland, Scotland, Australia, Canada and South Africa were also strongly represented, as were those of Finland, France, Germany, Mexico, the Netherlands and other important centres of professional activity.

Reassurance

All of these important guests must have been reassured to learn of the widening international scope of the American Institute’s interests. These include its membership of the International Federation of Accountants and the International Accounting Standards Committee; and the recent establishment of a committee to study the need for a special examination as a prerequisite for the granting of CPA certificates to members of other national professional bodies.

Participants from the smaller United States firms evidently felt fewer inhibitions than their bigger brothers in raising questions, both at the annual business meeting and in the socialising that accompanied the less serious events, in which they felt that their own interests were directly involved. At these meetings, the Governing Council and the executive officers are no longer in a position, if they ever were, to steamroller the membership into accepting positions on which there is severe disagreement.

On the first morning of the meeting, the newly established 350-firm National Conference of CPA Practitioners submitted the following three proposals for amendments intended to ‘democratise’ the bye-laws of the Institute:

(1) 500 AICPA members to petition for a direct referendum vote of the entire AICPA membership without veto by the Board of Directors or the AICPA Council; (2) elimination of the present

provision which permits Past-Presidents and Chairmen of the Board of AICPA to serve as *ex officio* members of the Council, its governing body, for life and limiting such status only to the immediate Past-Chairman for one year; (3) the direct election by the AICPA membership of the five elected members of the AICPA’s Committee on Nominations.

The response to this challenge was for the Institute’s new chairman to undertake a special study of the problems of small and medium-sized firms in public practice. In fact, however, a year-long study has already been made of precisely this subject under the chairmanship of Mr Samuel A. Derieux, himself a former chairman of the Institute. Its interim conclusion is summed up as follows: ‘It is already evident that many of the forces or factors which tend to place small or medium-sized firms at a competitive disadvantage result from the action of a competitive market-place, and that no action can or should be taken to modify these conditions of our economic environment.’

No believer in the private-enterprise system can find serious fault with this conclusion. Yet the United States economy is riddled with special arrangements, from the fair trade laws and the Small Business Administration to the small refiner bias, whose avowed purpose is to temper the competitive winds in favour of the ‘little guy’. Even members of the large firms were heard, during the meeting, warning of the dangers of excessive competition – ‘low-balling’ and ‘dog-fights’ over fees – within today’s profession.

The findings of the new study will be offered to the 93rd annual meeting, to be held in Boston, Massachusetts, next October. Those charged with this thankless task will be under great pressure to devise yet another system of protections and preferences for small businesses.

The smaller firm

Another, seemingly more constructive, approach to the disadvantages of the smaller firm was offered by the International Group of Accounting Firms, which in recent years has taken to holding its own meeting immediately

Accountant Abroad

following that of the American Institute. Its purpose is to offer affiliations and other services to a select number of firms too small to boast their own foreign connections. This and other professional groups are beginning to provide educational and other performance guarantees in return for relatively modest membership fees.

To offer an outsider's perspective on professional problems like these, Mr Thomas A. Murphy, chairman of the world's largest manufacturing corporation, drew a generally favourable picture of the long-term prospects and even of the short-term difficulties of American business. He stressed the important role played by his financial team in the growth of General Motors; and he assured the audience that, if allowed their head, American technical and organisational skills would succeed in beating back the flood of imports that now threatens his and other leading corporations. But he had no time for arguments that the government should leap to the rescue of any competitor in danger of going under. Chrysler, certainly no weakling and yet faced by a choice between massive government support and imminent bankruptcy, was clearly included in his list of enterprises

that might have to be sacrificed on the altar of competitive efficiency.

A much gloomier note was struck by Mr Lewis H. Young, editor-in-chief of *Business Week*. He foresaw an economic nosedive starting early next year, with interest rates rising above 15 per cent and more than 7 million unemployed. He made scant allowance for the success with which the United States has cut oil consumption – now almost back to the level reached in 1973 – or for the benefits that this, together with the tougher Federal Reserve policies, spells for the dollar. Presumably he judged that, regardless of the high spirits shown at the carnival night and other celebrations, the meeting had come together to hear bad news. In this he may have been right; and he certainly obliged.

Even if the pessimists are correct in foreseeing a long siege of slow economic growth in the United States, there is apparently no need to fear that the same fate will overtake the accounting profession. The technical sessions covered a wide range of challenging subjects. They were uniformly well attended – although candour demands the footnote that they also qualified for credit under the continuing professional education programmes now required of CPAs.

Possible Legislation on Consumer Credit

The Accountant of June 15th 1978 included a short note on proposals for uniform credit laws in Australia, and which were embodied in draft legislation presented to the Victorian State Parliament. Although this proposed legislation was subsequently withdrawn, the New South Wales Minister for Consumer Affairs recently announced broad details of proposed new consumer credit legislation which he hopes to introduce in 1980.

The new proposals provide for the licensing of all finance companies, and a new provision that would place product warranty liability on the provider of 'linked credit' which often forms an essential part of a selling operation in, for example, the sale of motor vehicles.

In addition, it is planned to replace hire-purchase transactions with a system of chattel mortgages, thus protecting in many instances the title of a subsequent purchaser. Detailed regulations governing the provision of information, and a change in the repossession laws under which a person who had paid more than 75 per cent of his debt may not have the goods repossessed without a Court order are also proposed. If the proposals outlined do become law, changes will inevitably be made in the nature of future borrowing agreements.

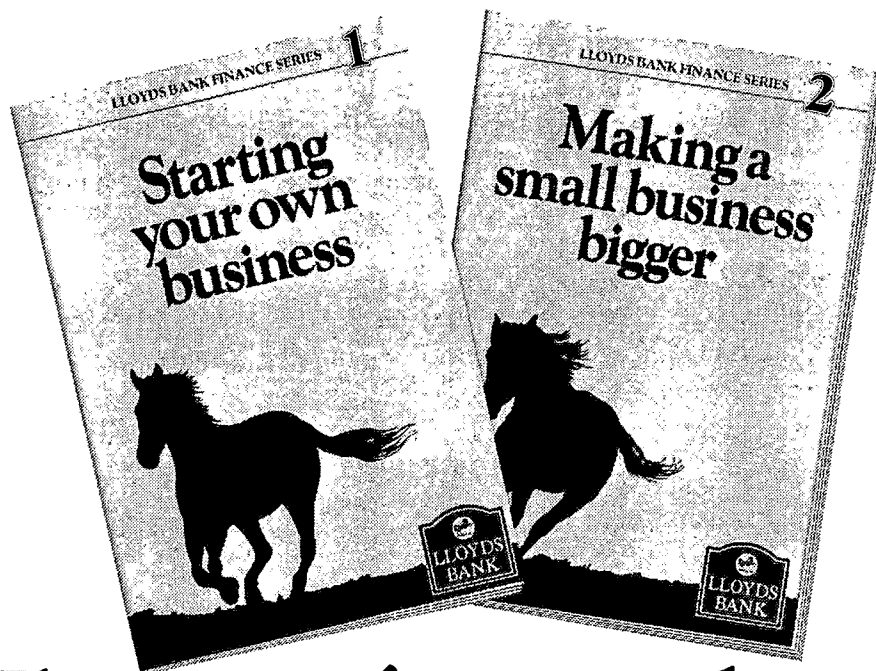
Two Accountants Gain Top Award

The 'Accountant Emeritus of the Americas' award – the highest honour that the Inter-American Accounting Association can bestow – was presented recently to Messrs Arcelio Blanco of Barranquilla, Colombia, and Derek Lukin Johnston, of Vancouver. They are the first in their respective countries to receive an award which has been made no more than 13 times in the 30-year history of the Association.

Mr Johnston has been the Canadian representative at IAA conferences since 1962, and has worked tirelessly to foster Canada's contribution to inter-American harmonisation. He is a member of the Institute of Chartered Accountants of Scotland and a Past-President of the Canadian Institute of Chartered Accountants.



Part of the large audience with William Gregory, the new Chairman of AICPA, third from the right in the front row. Behind him (in the dark suit) is the former chairman, Stanley J. Scoot, recipient of a Gold Medal Award for distinguished service to the profession.



When you've got the idea, here's how to get the money

Now is a good time to come to Lloyds Bank and talk business.

And it's not just talk we're offering.

It's a chance to get the money needed to do business.

Because we want to encourage growth and enterprise. We have three new things to offer which should be particularly interesting to small and medium-sized companies – and to people who want to start a business for the first time.

Lloyds Bank Finance Series

Free handbooks about starting, developing and running a business, full of advice, ideas and information.

And we're prepared to back up our advice with two new loan schemes designed specially for small and medium-sized businesses. Let's once and for all get rid of the myth that 'banks will lend money only when you don't need it'.

Enterprise Loans

This loan scheme is designed to give help exactly when it's needed.

- When investing in new plant, equipment or premises.
- When breaking into new markets.
- Or expanding a fleet of vehicles.
- Or diversifying the range of products.

We've structured the Enterprise Loan Scheme in a way that helps through an expansion period. It covers loans in the range £25,000 to £250,000 or more with interest linked to base rate.

Repayments would be spread over periods of up to 10 years. We tailor the period to fit in with an expansion programme, which is especially helpful if investing in new production capacity that may not begin to pay its way immediately.

As an added feature, if a proposition is put to us we may offer, in selected cases and at our cost, the advice of our Business Advisory Service to assist in the arrangement of the loan.

Asset Loans

This scheme is ideal for someone starting up who needs money for premises, machinery or vehicles. Loans can be provided in excess of £5,000 and up to £25,000 and may cover 100% of the cost. Repayments can be spread over 5 years, on a fixed monthly basis at a flat rate of interest, so that it is known in advance exactly what the outgoings will be.

Naturally, for both schemes we expect a sound case for borrowing the money. And we can even help with that. Because one of the subjects covered in the Lloyds Bank Finance handbooks is how to present financial propositions clearly and convincingly.

To find out more about our loan schemes and to get your free copies of the handbooks, just contact any Lloyds Bank manager.

Advice, encouragement and money.
They're all at the sign of the Black Horse.



More help for business. At the sign of the Black Horse.

Lloyds Bank Limited



**ASSETS NOW
£100,000,000**



People do better with us

These are our current rates :-

Our policy at Property Owners Building Society is very simple - it is to offer the investor the best possible rate of interest and to ensure that a loan is available to a home-buyer when it's needed.

And we back this up with a prompt, personal service.

We offer a wide choice of savings and investment facilities (almost all paying a better rate of interest than most other societies) and a mortgage service second to none. So you can recommend your clients to come to us - with confidence.

If you would like to know more about us, please write or telephone for our investment and mortgage brochures.

SHARES (for immediate withdrawal)	9.25% equal to 13.21%*
MONTHLY INCOME SHARES (withdrawals at 1 month's notice)	9.25% equal to 13.21%*
SUPERSHARES (withdrawals at 3 month's notice)	9.75% equal to 13.93%*
MONTHLY SAVINGS	10.50% equal to 15.00%*

*with tax paid at 30%

PROPERTY OWNERS BUILDING SOCIETY

4 Cavendish Place, London W1M 0AQ. Tel: 01-637 3041

Member of the Building Societies Association.

A Trustee Society. Total Assets exceed £100 million.

KING'S INVESTIGATION BUREAU LIMITED

INVESTIGATIONS in Civil, Criminal and Commercial cases - Internal Thefts and Extensive Pilfering in Commercial Concerns - Cases of Conspiracy and Fraud - Questioned Insurance claims - Infringements of Patents and Trade Marks - Bona fides of individuals and business concerns - Cases of Corruption and Leakages of Commercial and Industrial Information. Surveillance and undercover assignments undertaken in the investigation of criminal cases and commercial irregularities. Financial Investigations and enquiries into matters arising from Bankruptcy and Company Liquidation proceedings.

SPECIALIST SECURITY SERVICES including Security Surveys covering Computer Operations and confidential data control procedures - Counter Industrial Espionage assignments - Personnel character screening - Security checks conducted at hotels, restaurants, licensed premises, departmental stores and all retail outlets - Consultative Security Services.

CHANCERY HOUSE, 53-64 CHANCERY LANE, LONDON WC2A 1QU

Telephone 01-405 0343

This Bureau does not undertake enquiries in connection with divorce or matrimonial matters; industrial disputes; hire-purchase status enquiries or re-possession; process serving or allied matters.

Après L'Audit

By ALEX HARRISON, FCCA, FCIS

The provincial accountancy practice has received a considerable blow by the publication of the Green Paper 'Company Accounting and Disclosure' and its suggestion that the small-sized limited company be exempt from audit and the small and medium sized company be exempt from many accounting requirements.



This blow follows that from the Inland Revenue 'in depth' inquiry. That inquiry seemed to call into question the provincial practices usefulness as a compiler of accounts; the Green Paper calls into question its usefulness as an arbiter of accounts. It is some consolation that neither calls into question the skills of accountancy, but rather the usefulness of its end product – either as an account or an audit.

If we take auditing and the preparation of accounts out of the provincial practice, then at present times it means that the only real function left is direct tax negotiations – and that under a government which is energetically trying to switch from direct to indirect taxation! The majority of the accountants to whom I have spoken recently have taken the attitude 'So what? We have never audited the small company anyway. We shall still have to prepare accounts for tax'.

While accounts have to be prepared for tax, there is something to be said for this view. The audit side is so embedded in the actual task of finding the information to prepare such accounts that its statutory omission would save very little.

Little saving

Since the profit and loss accounts and balance sheets filed with the Registrar of Companies are spin-offs of the more detailed accounts necessary for tax, any further abridgement of them or even their elimination would not save very much. On computer systems they are just another print-out; on mine they take about fifteen seconds an account. The elimination of the company report might with luck save five minutes.

We are therefore entitled to wonder if the proposals would in fact save very much. There is one area where it may, and that is where the secretary or accountant to the company is a qualified accountant; such cases will probably be over the limit anyway. But in the end we come to the crunch question: is there anything which the Government can do in the field of accountancy which will ease the burden of the small business community?

The obvious one is the use of VAT returns as the basis for assessing direct taxes. It would not take much imagination to devise a form that would do it. A few accounting concepts might get lost, but modern business methods have already made many of these redundant. There may be a risk of avoiding or delaying tax by building up stocks and work in progress, but that is implicit in the provisions for stock relief as they now stand. If the shift is to be to indirect from direct tax, then it seems illogical that the cost of preparing accounts to settle the

latter should be larger than the former because the technical difficulties are so much greater.

The use of VAT returns for direct tax purposes would in effect still give us an audit service in the VAT officers who inspect the prime records. They have in many cases become the effective auditors of the small business community.

There is still the possibility of self-assessment. The present 'in depth' system in many respects is not far off self-assessment; many accounts are accepted at face value without any correspondence other than a formal letter of agreement. It therefore seems that if small businesses need to be freed from statutory or statutory-inspired requirements for accounts and auditing, it must be a complete and not partial freedom. Where would such a freeing leave provincial accountancy?

Technical aids

By a study of such information as Interfirm Comparison, there does not appear to be a large scope for financial advice. In any case the provincial practice is not constructed in a way that would lend itself to a change to an advisory service; it doesn't always follow that a qualified accountant is a first-class financial adviser. What is more likely to happen is that practices will concentrate for their bread and butter on what are their technical services.

I have noticed this happening already. I am sometimes consulted about installing computers in practising offices. Increasingly I am being asked for purchase ledger, sales ledger and payroll programs and for particular programs for keeping solicitors', estate agents', and insurance brokers' accounts. There is also an increasing request for programs to prepare interim accounts, cash flows, investment portfolios and the like. It seems that the profession is prepared for a reduction in the number of clients but also prepared to give increased attention to those which it will keep.

These services are, of course, those which are capable of being mechanised and reduced to a routine. The higher skills involved may be those that one associates with successful management.

Both the skills of management and the use of computers demand a larger throughput than can be obtained by the present set up of the profession. At the moment, most practices can attract about 300 clients per partner; of these, perhaps not more than thirty would need such accounting work as I have described.

As it is, I have calculated that to put an efficient computer

into every practice would cost over £100 million of capital expenditure, though a theoretical exercise would suggest that this would give rise to an over capacity of considerable proportions. It follows that to make the best use of computers and management it would be better for practices to gather work from a wider field, and this may mean advertising. I am unable to say whether there would be the same objections to advertising for these technical services as there would be in the case of the more personal services.

If the accountancy practice did concentrate on maintaining the accounts of those clients who were really in need of this service, then it may meet the demands of those for whose benefit some are asking to retain the audit – notably credit organisations. Such organisations benefit from interim accounts accurate and up-to-date lists of creditors, debtors, stock etc. Bankers in particular like to see cash-flow projections.

In any case, such a closer a financial records of clients by : benefit to the financial world than an Inspector of Taxes breathing and threatening appeals and a government department believe freed from accounting and another – the Revenue – carries

The Fourth Directive indeed assumptions about the utility of The modern development of the tive approach to accountancy an

The Duke of Wellington, w outcome of Napoleon's invasion an English soldier and said 'It al May I point to an Inspector of T

Closing The Gap

by DEREK BANDEY

Deputy Chairman, Metropolitan Pensions Association

What gap? The Contracts of Employment and Employment Protection Acts, service agreements and, generally, conditions of service give rise to security of income, while working. Most reasonable employments now also carry with them a pension provision giving rise to some security of income in retirement. But, in order to work one must be reasonably fit. Short or long-term illness can create a gap in that security of income.

What can, or what should, be done to close this gap and to provide continuing income when a person is unfit to work?

A lack of sickness benefits (other than those provided through the social security system) and particularly for long-term illness, can constitute a serious gap in an employee's security. A point to bear in mind is that personal provision in this area can only be made out of taxed income and, if through insurance, subject to medical evidence.

Given that benefits are to be provided for short or long-term sickness, it is essential not to provide benefits which are too generous.

Many employers continue to pay salaries and wages, or a proportion of them, out of revenue for a restricted period to some or all categories of employees during sickness. Some employers have introduced schemes which provide for the continuation of a proportion of salary or wages for a fairly lengthy period (in many cases this continues until normal retiring date).

A common error is to ignore the fact that social security sickness benefits are not taxed. Salaries and wages or the payment of a proportion of them, to employees while absent on account of illness or injury, are, of course, taxable. However, it is possible to pay employer provided sickness benefits which are not taxed. It is well known that, by virtue of a long-standing Inland Revenue concession, benefits under *insured* arrangements for short-term sickness are tax-free until it has

been paid over one complete appreciated that a properly con has the same taxation treatment finding the rules and other gover

In particular, such an (uninsu fund alienated to a body of independent action which is no subject to the control of the em contractual obligation exists, employee would be chargeable Under the Inland Revenue's p cession A 28 no assessment wo had continued for at least 12 n year of assessment. Regular ar arrangement by the employer deductions if in no circumstanc to the Company.

Thus, an employer who has a gross pay (or a proportion of it) can save money, by switching There are the two difficulties of and matching net income befor of which space does not permit to say that they are not insupera

Many companies continue to salaries, less social security ben

Capital Transfer Tax Publications

from

The Tax Lawyer
Publishing Company

CAPITAL TRANSFER TAX

By A.L. Chapman Third Edition

The third edition of A.L. Chapman's bestselling textbook on capital transfer tax is published by The Tax Lawyer Publishing Company (the first two were published by Tolley). The price is £8.50 (post-free in the U.K.).

The new edition, which is more than 400 pages long, comprises 26 chapters and five appendices and incorporates all the changes made by the 1977 and 1978 Finance Acts. Developments in the courts and in Inland Revenue practice since the second edition have also been taken into account.

The book's value to practitioners is underlined by the following reviews of the third edition:

"The author's lucid treatment of this complicated subject is such that it virtually qualifies as bedside reading. What is certain is that no practising solicitor or accountant should be without this book." – *The Accountant*

"This reviewer previously expressed the opinion that Mr. Chapman's book was the best available smaller book on the subject. He has pleasure in stating, now that the book has reached the 400 pages mark, that in his opinion the book is now the best available general textbook on capital transfer tax and the best value for money. It is warmly recommended to practitioners." – B.J. Sims in *The Law Society's Gazette*

"Mr. Chapman maintains the high standard of the earlier editions the hallmarks of which were lucidity and thorough thoughtful analysis. The author does not shrink from difficult areas (e.g. associated operations) but discusses them bringing light to the difficulties. Some very useful material has been included in the appendices, such as the Consultative Committee of Accounting Bodies' memorandum on double taxation. The relevant case law, including *Re Pilkington*, is thoroughly analysed. The chapter on tax planning is especially useful. In short, this is a book to be thoroughly recommended to the practitioner." – *The Solicitors' Journal*

1979 Supplement

A supplement to the third edition is also available, price £2.50 (post-free in the U.K.).

The supplement covers changes in the law and practice up to September 30, 1979. It includes, for example, the extension of the transitional relief rules for discretionary trusts by the Finance Act 1979, a full analysis of the judgments in the Court of Appeal in the *Pilkington* case, a report of the second capital transfer tax case to reach the courts, *Von Ernst v. I.R.C.*, and details of the latest developments in the treatment of living accommodation and other benefits-in-kind provided by the trustees of discretionary trusts.

CTT NEWS

A Monthly Review of Capital Transfer Tax Law & Practice

VOLUME 1 NUMBER 10

SEPTEMBER 1979

CONTENTS

COMMENTS	<i>page</i> 259
AGRICULTURAL TENANCIES – THE REVENUE VIEW	260
PILKINGTON IN THE COURT OF APPEAL	261
BENEFITS IN KIND FOR BENEFICIARIES	264
YOUR LETTERS	265
EXECUTIVE PENSION PLAN	271
THE RETENTION OF THE 'ACCEPTANCE IN LIEU' SYSTEM	279

THE TAX LAWYER PUBLISHING COMPANY
PO BOX 75 LONDON W8 7NJ

CTT NEWS & REPORTS

CTT News is a monthly journal devoted to the subject of capital transfer tax and is complemented by a new series of law reports, **CTT Reports**. The first issue was published in December 1978, and since then the journal has gained widespread popularity among lawyers, accountants and those involved in the life assurance industry.

In tax literature capital transfer tax is in many respects the poor relation of the other principal taxes. This is especially true of the professional journals. For them capital transfer tax is just one branch of tax law, which in turn is but one of the many topics they must cover. The result is that comparatively little is published about the tax, particularly estate planning. **CTT News** attempts to fill this gap. It is edited by A.L. Chapman, who is a practising solicitor and the author of the bestselling book, **Capital Transfer Tax**.

The journal deals with all aspects of capital transfer tax, but the emphasis is on *estate planning*. It contains articles and notes written by practising lawyers and accountants and experts on life assurance. It also carries news of the latest developments in Parliament and the courts. However, throughout the emphasis is on giving practical advice which the subscriber can put to the advantage of his clients.

The topics covered in the first ten issues have included

- deeds of family arrangement
- equalisation of estates
- preference shares and control
- benefits in kind for beneficiaries of discretionary trusts
- accumulation and maintenance trusts
- deferred ordinary shares
- elimination of partnership goodwill
- the *Pilkington* case
- agricultural tenancies.

In addition the journal has a lively correspondence column, in which readers' views and problems are aired and discussed.

CTT Reports is a new series of law reports available only to subscribers to the journal. The aim is to provide authoritative reports as soon as possible after the transcripts of the judgments are made available. The emphasis is on speed and quality.

Every decision of the Courts in England and Wales, Scotland and Northern Ireland on capital transfer tax and, where still relevant, estate duty matters, is reported. This includes publication in full of the judgments.

Among the cases reported so far are the extremely important case of *Re Pilkington's Settlement*, which concerns the meaning for capital transfer tax of the phrase "interest in possession", and the *Von Ernst* decision, which deals with the scope of the exemption for gilt-edged stocks comprised in a settlement.

Price

CTT News and **CTT Reports** cost £28.50 a year (they are not sold separately). This covers twelve months' issues of **CTT News** and all the issues of **CTT Reports** published during that period. Binders for both publications are also available, at £2.90 each (which includes VAT and postage).

Order Form

To: The Tax Lawyer Publishing Company,
P.O. Box 75, London W8 7NJ.
01-727-2613

Please tick your requirement(s)

@

- | | |
|---|-------------------------|
| ☐ One year's subscription to CTT News and CTT Reports commencing with the _____ issue. | £28.50 per subscription |
| ☐ Binders for CTT News and CTT Reports . | £5.80 per set of two |
| ☐ Specimen copies of CTT News and CTT Reports . | |
| ☐ copy(ies) of the third edition of A.L. Chapman's Capital Transfer Tax . | £8.50 per copy |
| ☐ copy(ies) of the 1979 Supplement to Capital Transfer Tax . | £2.50 per copy |

(All prices are inclusive of postage and packing and, in the case of the binders, VAT.)

Enclosed is a remittance for £

Name (Block capitals please)

Address
.....
.....

Date Ref.

CTT REPORTS

VOLUME 1 PART 6

JULY 1979

CONTENTS

In Re PILKINGTON'S SETTLEMENT 87

Capital transfer tax – Settlement – Beneficiary entitled to income subject to a power of accumulation – Appointment of trust moneys upon trust to pay income thereon to beneficiary during the shorter of her life or the trust period – Whether beneficiary had 'interest in possession' before appointment – Whether appointment gave rise to capital transfer tax liability – Finance Act 1975, Schedule 5, paragraphs 3 and 6.

THE TAX LAWYER PUBLISHING COMPANY
PO BOX 75 LONDON W8 7NJ

three or six months. This is fine of course where abuse is unlikely or, because of the small numbers, easy to control. But the total after tax income is greater while the employee is not working than while he is at work which highlights the need to get the level of benefits right.

Fifteen years ago it was common for the short-term sickness scheme to be insured. With premium rate guarantee periods becoming shorter and shorter, insuring the scheme can be little more than a complication. Nevertheless, there is some sense in starting with insurance where a new category of employees is to be covered for sickness benefits for the first time. This is because the initial budgeted cost is likely to be exceeded by the actual claims. A common experience seems to be that where an employer first introduces a short-term sickness benefit scheme, absence due to sickness increases. But one must be sure that it is 'insurance' in the real sense and not simply a contract issued by an insurance company lacking any elements of risk cover.

Level of short-term benefit

A reasonable level of short-term sickness benefits for consideration is 65 per cent of pay, inclusive of social security benefits.

Lastly a point to bear in mind is that the premiums or contributions paid by the employer to one of these schemes are treated as a benefit in kind. As a result, directors and employees earning over £8,500 a year (if members) will be assessed for tax on the premium or contribution paid on their behalf.

After absence has continued for a period of six months, the employee will need to consider engaging or promoting a successor and to consider what long-term settlement, if any, to make on the absent employee.

The situation itself is a difficult one to appraise. It may be far from clear whether the employee is likely to work again, in which case a cash settlement, or a pension for life, may be thought inappropriate. The problem can be relatively easy to deal with if the absent employee is close to pension age. In such a case the early retirement provision of the pension scheme should be flexible enough to be effectively used. But the amount of pension normally provided decreases rapidly the greater the gap between early retirement and the normal retiring date.

Continuation of a proportion of the employee's salary entails keeping in touch with him and collecting periodical medical evidence. More importantly there can be no indication as to how long such payments may need to be made. Furthermore, the employer may not be in a position to make a long-term settlement on the employee. A solution is the long-term sickness benefit arrangement, best described as a 'salary continuance scheme'.

Salary continuance schemes

This is a formal scheme providing for a continuation of a proportion of salary, paid as salary and taxed as salary (that is, with no investment income surcharge), where the employee is effectively retained in service. This avoids any repercussions of the Employment Protection Act and the benefits in kind problem.

The provision of formal salary continuance schemes has become quite common for senior employees and in a growing number of cases is being negotiated for monthly and weekly paid employees. Numerous points of important detail need to

be decided on in designing such a scheme; for instance, level of benefit, eligibility, definition of incapacity for benefit purposes, the question of internal provision or insurance and such like. Insurance is worth considering, at least to start with and until some experience has been gained, since it could be useful to have an outside body 'policing' benefit claims. The usual practice with insured schemes is for there to be a three years' guarantee on the premium rates.

It is possible to include, as part of the benefit, the employee's contributions to the pension scheme so that he is maintained in full benefit through to pension age when he would then be retired normally. Also, it is possible to provide for a continuation of the chosen proportion of salary on a basis that it increases at a given compound rate until the benefit stops on retirement.

In designing and implementing any schemes, whether they be to cover the short-term or permanent disability, there are pitfalls. The inexperienced person is well-advised to seek help with the design, the presentation (to employees), negotiations with insurance companies (if insurance is to be used), Inland Revenue approval and the formal documentation. This is not simply to project a vested interest: a wrongly conceived plan can have significant ill-effects in cost, absenteeism and disturbed industrial relations. A properly conceived plan can, on the other hand, be generally beneficial.

Curing the complaint

To consider the question of sickness would be, perhaps, somewhat incomplete without some reference to curing the complaint.

As a natural extension to their benefits programme, a number of employers have provided hospitalisation benefits for some, if not all, of their employees. The advantages of doing so are partly concerned with fostering goodwill on the part of employees and, though not strictly comparable, employers providing this benefit presumably believe that the goodwill so engendered is out of proportion to the (comparatively modest) cost involved and have found tangible rewards in the shape of increased efficiency.

The question of private medical insurance is a politically volatile one; the facts remain that the National Health Service, though in many respects admirable, has from a business efficiency point of view several defects; private medical arrangements exist and in their existence remove the defects.

There are seven long-established associations providing insurance, and one recently formed group, with a wide range of costs and benefit limits. There are also variations in the exclusions, minor benefits, and detailed conditions and no one scheme is better than all others in all respects.

Before deciding on which association to use, an expert analysis is required of the various associations' schemes in the light of the size and occupation of the group of employees to be considered. BUPA, formed in 1947, is the market-leader with approaching two million members; followed by PPP with about one-quarter that number of members (formed in 1943). The Crusader Insurance Co, Western Provident Association and Exeter Hospital Aid Society all have substantial memberships – the last-named dating back to 1927. Others underwriting these benefits include the Bristol Contributory Welfare Association and Provincial Hospital Services Association together with the newcomer (1974) Allied Medical Assurance Group. It seems likely that, in the present economic climate, this list may be added to with the passage of time.

The Preparation of Group Accounts

by M. R. FRANKEL

Financial Training Publications/HFL,
£4.95

Although group accounts have long since become a recurring feature of the advanced accountancy examination syllabuses of all the professional bodies, they continue to prove a stumbling block for many students in the examination hall.

This publication provides a comprehensive guide to most aspects of the subject that are likely to be met with at this level – including the treatment of investments in associated companies under SSAP1. Although the present generation of finalists may not recall the furore over ED3, it gives an admirable appraisal of the argument and explains the practical application of the ‘pooling of interests’ method of merger account-

ing advocated in that controversial document. The chapters include specimen questions and fully worked solutions, and the reader is led by progressive stages through all the important problem areas.

By way of comment, it is interesting to note how the ‘ledger account’ method of consolidation has gained favour among most professional tutors over recent years. To this reviewer, who acquired his experience of preparing group accounts with one of the largest industrial companies in the UK, the ‘net equity scheduling’ method (illustrated so admirably in Robson and Duncan’s textbook on the subject) has much to commend it as a more manageable and practical approach when dealing with the consolidations of all but the smallest groups of companies.

sion to the fact that the 1980 edition of the desk diary is the 105th. The pocket diary, a relative newcomer, has another 33 years to go before reaching its century.

It seems a fair deduction that a lot of thought has gone into making the new editions both attractive and useful. Wisely, very little change has been made to the range of professional information packed into both editions; nothing seems to have been omitted and there are some additions of general interest to round out the purely professional data. Equally wisely, a great deal of change has been made to appearance and to layout, replacing the somewhat old-fashioned look of past editions by a thoroughly modern design. Inside, a completely new layout makes the diary much easier to read and to use than for many years past.

Prices – which include postage, packing and VAT – are a fairly noticeable increase on the 1979 editions, but they look reasonable in comparison with the prices of other specialist diaries. The publishers will, no doubt, continue in their pursuit of the perfection mentioned in their brochure. Meanwhile, they are clearly not content to rest on the laurels of the past 105 years, the 1980 editions seem a fitting way in which to enter into a new decade.

Students’ Manual of Auditing

Second edition

by V. R. V. COOPER

edited by C. BRANDON GOUGH

Gee & Co, £6.50

The publication some years ago of *Cooper’s Manual* was a major publishing event. The appearance of a students’ edition of this guide to procedures was excellent news.

As an extension to the standard textbooks a practical manual is most desirable and, although the legal basis of auditing is dealt with at the end rather than at the outset where philosophically one would expect to see it, the chapter on the law relating to the duties and liabilities of auditors has been rewritten for the new edition so as to include recent judgments. The impact of greater computerisation has necessitated a completely new section on a systems-based audit approach, and a new chapter has

been added on investigations.

The practice refers to statements of standard accounting practice being issued by the Institute of Chartered Accountants in England and Wales. Students of other bodies will note that these are now issued by the CCAB, as indeed the book itself makes clear.

The book is arranged for reference rather than continuous reading but students can use it, because of this, to check on the work they do each day, thus creating a practical link between work and study. The price remains well within the range acceptable for such an eminent work.

The Accountant Diary, 1980

Gee & Co (Publishers) Ltd, £5.98 desk, £4.77 pocket size.

The promotional brochure for the 1980 edition of *The Accountant Diaries* proclaims on the cover that ‘Perfection Takes Time.’ This is, of course, an allu-

Auditing Standards and Procedures

Ninth edition

by ARTHUR W. HOLMES and
DAVID C. BURNS

Richard D. Irwin, \$18.95.

This edition has been rewritten so that the opening chapters reflect recent developments in auditing standards, ethical considerations and level developments. A new chapter has been added on sampling. This leads into audit procedures and an audit exercise designed to cover the whole field of an audit.

The work is written either for college use or for students in their own personal reading. It is an outstanding example of a book combining a true philosophy of independent auditing with an understanding of the structure of the profession in the USA.

Though written primarily for USA students, the international harmonisa-

Partnership Taxation

2nd edition

E. E. Ray BCom, FCA

'Can be unequivocally recommended to partners in all walks of life – as well as to their professional advisers.'

– *The Accountant*

'Professional advisers will certainly find it very valuable – not least in dealing with their own affairs.'

– *Accountancy*

'A lucid and comprehensive study of all aspects of partnership taxation.'

– *Law Society's Gazette*

432 pages £10.00 (£10.75 including postage)

HFL (Publishers) Ltd

9 Bow Street, Covent Garden, London WC2E 7AL
TEL. 01-836 9081

TAXATION OF COMPANIES

Second Edition

RICHARD BRAMWELL and JOHN DICK

The new edition of this leading work concentrates on problems occurring in practice and has been expanded to incorporate new chapters on stock relief and company partnerships.

There has been substantial re-writing to include changes in the law; in particular the provisions of the Finance Act 1978 and the Companies Act 1976, and takes full account of the Capital Gains Tax consolidation legislation – the Capital Gains Tax Act 1979.

Bramwell, also available as part of the British Tax Encyclopedia will be invaluable to solicitors, accountants, members of the tax bar and persons involved in tax consultancy.

October 1979 Hardback £17.00 0 421 24930 7

Mail Orders: Sweet & Maxwell, Spon (Booksellers) Ltd.,
North Way, Andover, Hants, SP10 5BE.
Bookshop: Hammick, Sweet & Maxwell,
116, Chancery Lane, London WC2A 1PP

Sweet & Maxwell 

Butterworths Orange Tax Handbook 1979–80

1979. Edited by Moiz Sadikali

This edition is likely to be particularly valuable as it contains the changes made by the Finance (No. 2) Act 1979, which represented a major change in fiscal policy.

Four taxes are covered by the *Orange Book* – capital transfer tax, development land tax, stamp duty, and value added tax. The text of the current amended legislation on each of these taxes is set out chronologically, and is thoroughly indexed to sections and schedules.

Limp £9.50 net (US \$21.50) 0 406 50824 0

Butterworths Yellow Tax Handbook 1979–80

1979. Edited by David Roberts

This popular handbook sets out the plain text of the enactments relating to income tax, corporation tax and (most importantly) this year following the consolidation of the legislation) capital gains tax. The Capital Gains Tax Act 1979, which effected a consolidation of existing provisions, is reproduced in its entirety, with corresponding former enactments shown.

Other changes, particularly in income tax, have resulted from the 1979 Finance Acts. All amendments are incorporated and the legislation is set out as operative for the current year of assessment or, for corporation tax purposes, as operative for accounting periods ending in that year of assessment. The arrangement is chronological, with thorough indexing to sections and schedules.

Limp £11.50 net (US \$26.00) 0 406 50995 6

The Tax Practitioner's Diary 1979–80

1979. Edited by
Butterworths Editorial Staff

The *Tax Practitioner's Diary* is far more than just a diary. It is the ideal personal *aide memoire*, a slim PVC-covered work, which fits neatly into the pocket, ready to be consulted at all times. It covers accurately and concisely a wealth of information that the tax practitioner needs to know. Whenever fast, reliable guidance is needed, whether on complex tax rates, names and addresses of Revenue departments or simply on European travel or clothes sizes, the *Tax Practitioner's Diary* can be relied upon to come to your aid.

£4.25+VAT (US \$9.75) 0 406 53957

Butterworths

Post orders: Borough Green, Sevenoaks, Kent TN15 8PH
Bookshop: Bell Yard, Temple Bar, London WC2

FOR INVESTMENT THEN MORTGAGE

THE City of London

BUILDING SOCIETY

- BIG ENOUGH IN SIZE TO COMMAND TRUST.
- STRONG ENOUGH IN PERSONALITY TO GIVE INDIVIDUAL ATTENTION.
- LARGE ENOUGH IN HEART TO TREAT MEMBERS FAIRLY AND WITH PARTICULAR CONSIDERATION.

THE CITY OF LONDON BUILDING SOCIETY

34 London Wall, London EC2Y 5JD. Tel: 01-606 2525/01-588 0114
Noverre House, Theatre Street, Norwich NR2 1RG. Tel: 0603 29833
33/35 Queen Square, Bristol BS1 4LU. Tel: 0272 290981
6 Brewer Street, Oxford OX1 1QN. Tel: 0865 45800

*Member of the Building Societies Association (Assets exceed £70 million)
Shares and Deposits in the Society enjoy Trustee Status*

PROFESSIONAL FOLK HAVE TO READ A GREAT DEAL

**But sometimes it has to
be for pleasure**

Quills' News keeps you in touch with books. For only 65p a year, including VAT, three issues of this easy-to-read and entertaining literary paper are mailed to you. Fill in and return the coupon below and we will do the rest. A bonus issue for Autumn 1979 will be sent with the Christmas number.

To Quills of Amersham (Wimbrax Ltd).
25 High Street, Amersham, Bucks, HP7 0DP.
(Amersham 4717)

Please enrol me as a subscriber in the *Quills' Information Service*. I enclose 65p for the Christmas, 1979, Spring and Summer/Autumn issues 1980 of *Quills' News* (three papers).

Block letters:

Name Date

Address

..... Signed

Two NEW Study Books

COMPANY LAW STUDY BOOK

by T. Martyn, LLB, Barrister at Law

This book has been specially written to help students taking Company Law in the examinations of the various professional bodies. The author, who has long experience in teaching for the examinations, provides an understanding of company law in a concise and readable form. The eight chapters cover the legal basis of the company and its significance today – the formation of a company – the personnel involved – financial aspects – records and accounts – procedure at meetings – reconstruction and amalgamation – winding up.

UNDERSTANDING ACCOUNTS

by F. A. J. Couldery, FCA, FCCA, FCIS

Unlike the majority of introductory books on accounts, this useful study book starts with balance sheets, proceeds to profit and loss accounts, and then examines the areas of practical importance – fundamental accounting concepts, cash flow and funds flow statements, depreciation, accounting ratios, valuation methods.

There are numerous diagrams and illustrations, and a second colour is carried through the book to good effect, highlighting the important features. Overdrafts appear in red figures, and the accounting ratios stand out as relevant comparisons on facsimile balance sheets and profit and loss accounts.

The visual impact is quite unlike any other book in its field: each topic is illustrated as it is discussed. To the newcomer to accountancy, that must be a powerful aid to memory. The book contains many questions and fully worked answers to illustrate the application of the principles discussed.

To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.

Please send copy/copies of
COMPANY LAW STUDY BOOK
at £2.50 plus 30p postage (airmail £1.25)
and please send copy/copies of
UNDERSTANDING ACCOUNTS
at £3.50 plus 30p postage (airmail £1.25)

Remittance enclosed £

Name

Address

Reviews

tion of the accountancy profession means that the ideas, methods and purposes of this book are no less appropriate to students in other countries. Teachers and students in many countries should find this new edition, produced in an attractive and stout binding, a particularly good basis for sound understanding of the purposes as well as the practice of auditing.

Auditing Symposium IV – Proceedings of the 1978 Symposium on Auditing Problems*

Edited by Professor HOWARD F. STETTLER

School of Business, University of Kansas, Lawrence, Kansas 66045, USA, \$6

The Touche Ross-University of Kansas symposium is held every two years and this is the fourth collection of papers to be published, ranging from internal auditing to auditor liability and the shareholder's participation (the latter paper contributed by Barbara Leventhal of the Securities and Exchange Commission). Between these the themes cover such practical issues as analytical auditing, sampling and third party confirmations, and wider issues such as the destiny of the accounting profession.

The excellent quality of the contributions convinces the reader that meetings such as this play an enormous part in the development of a profession and create a philosophy such as cannot be developed by those too closely involved in daily work to be able to sit back and reflect. The inclusion of a paper on the history of internal auditing is one indication of that deeper philosophy: the remainder were chosen as indicative of the problem areas as seen to exist in 1978, especially in the wake of the Metcalf Report. Professor Stettler is himself an author international repute, and has chosen well in subjects and authors.

Those who care for their profession and those who contemplate organising local discussions of auditors can find a wide range of contemporary problems here.

Investment and Divestment Policies of Multinational Corporations in Europe

by D. VAN DEN BULCKE,
J. J. BODDEWYN, B. MARTENS and
P. KLEMMER

Saxon House/ECSIM, £9.50

The European Centre for Study and Information on Multinational Corporations already has an impressive list of publications dealing with the role and the problems of these corporations. This new work, which comprises four essays by Dutch, American, Belgian and German academics, looks at one of the most sensitive of all aspects of the multinational corporation: the effect of its decision to invest and, more contentious, to close down its operations in a host country.

The first-named author from Holland looks at the information available on recent divestment cases within the EEC.

The second essay by an American business economist considers the managerial and decision making process which leads to divestment. Mr Martens from Belgium contributes a commentary on the attitudes of the trade unions to the multinational, while the German contributor, Professor Klemmer, reviews the role of the multinationals in the context of regional policies within the advanced economies of Western Europe.

Throughout the text, case studies and illustrative material are used to expound the issues involved; the essays are thorough and well-written. In short anyone who wishes to contribute to the debate on the future of the multinational and its impact upon the economies of the host country should read this book.

Transfer Pricing and Multinational Corporations:

An Overview of Concepts, Mechanisms and Regulations

by SYLVAIN PLASSCHAERT

Saxon House/ECSIM, £8.50

There are few publications which marshal explanations about transfer pricing in as clear and concise a way as does Professor Plasschaert of Antwerp University in this short book. He examines the capacity of multinationals to adjust the prices paid by their various subsidiaries for 'services rendered', manufacturing licences, components or unfinished products, so as to transfer profits from high-tax to low-tax subsidiaries. In doing so, the sovereignty of individual host-states is overturned; in some cases, developing states will be induced by multinationals to keep taxes low, often against their own national interests.

Professor Plasschaert's treatment of this important area of the state/multinational interface is comprehensive but slightly clinical. In its empirical sections it shies away from

detailed example, and its overall attempt to remain 'apolitical' conceals its ultimate role as an apologist for the potentially ruthless behaviour of the multinationals, especially in poorer countries.

The high price for a book containing only 120 pages consigns it to the shelves of the larger libraries, and to the offices of the multinationals themselves.

Computer Capers

by THOMAS WHITESIDE

Sidgwick & Jackson, £5.95

The capers referred to in the title are in fact crimes either real or potential which are perpetrated by manipulating a computer system. The book reads rather like a non-violent thriller, although the cases covered are real enough. The perpetrators are, for the most part the stock white-collar criminals. Equity Funding for instance is a famous American insurance fraud, while the Union Dime embezzlement was perpetrated by a bank clerk who was an unlucky gambler. Most of this type of crime would, I suspect have happened even if the records had been kept

Reviews

manually. However, the author does make out a case for financial crime being easier and gives a number of reasons why, in the USA anyway computer criminals are less likely to be prosecuted than other white-collar criminals. The object of the book seems to be that of proving that computer safety systems are not so secure as the manufacturers would like us to believe. All in all it makes interesting reading.

An Introduction to Computers and Computer Systems*

Second edition

by A. J. THOMAS

The Institute of Administrative Accounting and Data Processing, Walter House, 418-422 Strand, London WC2R 0PW (01-240 3106) £1.75

This is a very basic introduction to computers and says many of the things which too many books for first time users either take for granted or think the unfortunate user is not entitled to know. I doubt if this book would help to choose the right machine or system but for an administrative accountant or a bookkeeper suddenly confronted with a computer it will provide a crash course on what it is all about. It may also be useful to other accountancy students who will certainly come into close contact with computing sooner rather than later. It could, for instance, be useful when reading about applications or a term you are not sure of.

Economic Effects of Exchange-Rate Changes

by KLAUS-WALTER RIECHEL

Lexington Books, £12

This is a highly technical study for professional economists of a topic which currently is of high importance: ie, in what way can the domestic economy be assisted to a higher level of economic activity by exchange rate adjustments. The author is with the International Monetary Fund and, while some parts of this work can be read by the non-specialist, its main theme is not for the general reader.

New Books

ACCOUNTING PROBLEMS OF MULTINATIONAL ENTERPRISES, by Elwood L. Miller, xiv + 288 pp. Lexington Books, £12.75.

ADVANCED ACCOUNTING, by Floyd A. Beams, xiv + 816 pp. Prentice/Hall International, £12.95.

*AUDITING FOR SOUTH AFRICAN STUDENTS, by K. C. Dickinson, 262 pp. McGraw-Hill, Book Company, Shoppenhangers Road, Maidenhead, Berks SL6 2QL, Rand 11.95.

BUSINESS STATISTICS AND ACCOUNTING MADE SIMPLE, by Ken Hoyle and Geoffrey Whitehead, xii + 350 pp. W. H. Allen & Co Ltd, £3.95 limited hardback edition, £2.50 paperback.

THE CITY OF LONDON: A Financial and Commercial History, by Robert Gibson-Jarvie, 128 pp. Woodhead-Faulker, £6.75.

*COLLECTED PAPERS ON ACCOUNTING, by William T. Baxter, 194 pp. Arno Press Inc, Three Park Avenue, New York N.Y. 10016, USA, \$25.

COMPUTERISATION FOR THE SMALL BUSINESS: A Layman's Guide for Directors and Senior-Line Management, second edition by Edward G. Cluff, 154 pp. Input Two-Nine, £4.50 paperback, £5.95 h/b.

THE CONSUMER CREDIT ACT: A Student's Guide, by R. M. Goode, xxx + 415 pp. Butterworths, £9.

AN INTRODUCTION TO INDUSTRIAL ECONOMICS, third edition, by P. J. Devine, N. Lee, R. M. Jones and W. J. Tyson, vii + 502 pp. George Allen & Unwin, £8.95 paperback, £20 hardback.

THE LAW AND PRACTICE OF COMPANY ACCOUNTING IN AUSTRALIA, by Trevor R. Johnston, Martin O. Jager and Reginald B. Taylor, xxiv + 720 pp. Butterworths, £19.50.

MANAGEMENT INFORMATION AND SYSTEMS, second edition, by Archie Donald, xiii + 253 pp. Pergamon Press, £5.25.

THE MANAGER AND INDUSTRIAL RELATIONS, by Trevor Owen, xi + 186 pp. Pergamon Press, £12.50 hardback, £5 paperback.

MANAGERIAL ACCOUNTING INFORMATION: An Introduction to its Content and Usefulness, by A. T. Montgomery, xxii + 750 + 189 pp. Addison-Wesley, £12.75.

NUMERACY AND ACCOUNTING, by J. Townsley, R. Jones, F. Owen and F. Wood, 349 pp. Polytech, £3.60.

PENSION PLANNING WITHIN A MAJOR COMPANY, by R. J. Lucas, vii + 104 pp. Pergamon Press, £12.50.

A PRACTICAL APPROACH TO MANAGEMENT ACCOUNTING, by John Gibbs, xi + 257 pp. HFL, £5.95.

PRICING DECISIONS: A Practical Guide to Interdivision Transfer Pricing Policy, by Alexander Young, vii + 223 pp. Business Books, £15.

THE REGULATION OF INSIDER TRADING, by Barry Rider and Leigh Ffrench, xvi + 474 pp. Macmillan Press, £50.

RETIREMENT: CAN YOU AFFORD IT?: A Practical Guide to Finance Planning, by Paul Cleminson and Terry Arthur, v + 203 pp. ICAEW, £4.95.

TAXATION OF COMPANIES, by Richard Bramwell and John Dick, xxii + 236 pp. Sweet & Maxwell, £17.

TAXWISE TAXATION WORKBOOK 1979-80, by Arnold Homer, Rita Burrows and Peter Gravestock, IPC Science and Technology Press Ltd, £6.50.

WHILLAN'S TAX TABLES 1979-80, thirty-second edition, edited by Leslie Livens, 39 pp. Butterworths, £1.75.

These titles (other than those marked *) may be obtained from or through Gee's bookshop.

Circle titles required, fill in the order form and return it, with your remittance, to Gee's bookshop at the address below. Please add 15 per cent to the cover price of each title ordered to cover postage and packing.

If more than one copy of a title is required, write the number to be sent against the circle.

ORDER FORM

Please send the title(s) circled (one copy of each unless otherwise indicated) to the address below. A remittance for is enclosed.

Name

Company

Address

.....

.....



The professional bookshop

151 Strand
London WC2
01-836 0832

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

	Basic	Concessional
ALL HEADINGS except Situations Wanted Minimum covering 5 lines	£6.00	£4.00
per line (5 words) in addition	£1.20	80p
SITUATIONS WANTED (including Training Contracts Required) Minimum covering 5 lines	£4.50	£3.00
per line (5 words) in addition	90p	60p

SEMI-DISPLAYED

All headings: per single-column cm (minimum 2 cm single-column)	£6.00	£4.00
---	-------	-------

FULLY-DISPLAYED

All headings: per single-column cm (minimum 5 cm single column)	£6.75	£4.50
---	-------	-------

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

TRAINING MANAGER

**SHARE YOUR
TRAINING
EXPERIENCE
WITH A
DEVELOPING
NATION.
GAIN A GREAT
DEAL.**

**Deloitte
Haskins+Sells**

There's a great deal to be gained – professionally, technically and financially – from joining Deloitte Haskins & Sells' Zambian firm as Training Manager.

We offer you control of the firm's training programmes, which includes helping young Zambian trainee accountants towards ACCA qualification, preparing and monitoring CPE courses for Chartered Accountants and participating – as advisor or lecturer – in the accountancy projects of the University of Zambia.

In terms of qualifications and experience, you could well be a qualified accountant who has moved onto the training side ideally with a major firm. Equally, you could be a training expert. Either way, you will be looking for early management responsibility, satisfying international experience, an attractive lifestyle and substantial capital accumulation. A five-figure salary, other generous benefits, car and accommodation provided, will assure that.

And you certainly will not be putting yourself into a professional cul-de-sac in this, one of Africa's most rapidly developing nations.

For more information, please contact:

Mr. D. F. Pratten, Deloitte Haskins & Sells,
128 Queen Victoria Street, London EC4P 4JX. Tel: 01-248 3913.

ONE FIRM WITH ALL THE OPPORTUNITIES

Audit Research Manager

(New Appointment)

Salary up to £12,000 p.a. + other benefits

Reporting to the Technical and Training Director, the Audit Research Manager will fully utilise his professional experience in carrying out research into auditing techniques in all their aspects. He will update/review current systems and advise the London and regional practices on all technical matters.

We are a growing medium-sized firm and this position, based in our City office, is envisaged as a stepping stone to other appointments within the practice.

If you would like to contribute to our growth and receive every opportunity for future personal career development and financial reward, please telephone in first instance for an application form:

**Stuart Rochester
Neville Russell
30 Artillery Lane
Bishopsgate
London E1 7LT**

01-377 9733



£8,000 to £25,000 p.a.

The Unadvertised Positions in the Profession

■ **THE SERVICE RMA** are acknowledged specialists for Practice Merger, Association, Disposal, Dispute and Counselling, nationwide. As a result of our success and close links with Principals we are entrusted with many unadvertised and exceptional opportunities for Partners, Managers and Specialists in public practice.

■ **TO APPLICANTS** The value of our service is that you will be able to review attractive possibilities without disclosing your identity or intentions – safeguarding your present position. Our service is completely free to all applicants and we suggest that nothing can be lost by contacting our Managing Partner in confidence.

■ **TO CLIENTS** As the Partners, Managers and Specialists in any Practice are the key to profitability and growth, it is essential to have only professionals of proven ability in executive positions, remembering that in a service business, such as a professional Practice, the top people are the business. Confidentiality assured.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource



LONDON & HOME COUNTIES

PROFESSIONAL COMMUTERS – STOP IT! NEW HARROW OFFICE!

What to do in career terms is the most important decision you can make (potential parents and would-be suitors apart!). We deal with most C.A. practices in HARROW, HAYES, NORTHWOOD, PINNER, STANMORE, UXBRIDGE, WATFORD, WEMBLEY etc, and simply by phoning the number below you can discover that the Accountancy World does not only revolve around The City.

OUR NEW OFFICE IS AT 'NORTHERN ROCK HOUSE', 88/90 COLLEGE ROAD, HARROW. Tel. 01-863 6211.

YOUR WAY AHEAD

AUDIT MANAGER WC2

£9,500

Are you ready to take on managerial responsibility? This medium-sized Holborn practice is looking for an A.C.A. with some post-qualification experience to manage a varied block of clients. Excellent partnership prospects.

COMPUTER AUDIT EC2

£8,500-£9,000

An A.C.A. will find a demanding role in this firm, assisting the computer audit manager in all aspects of this discipline. He/she will also advise clients on new computer systems and their application. This practice has spacious modern offices which reflect its forward-looking approach to training and career development.

SEMI-SENIORS Post-P.E.I.

We have positions available for semi-seniors in the following locations: Leatherhead, Sidcup, Upminster, Lewes, Tunbridge Wells, Norwich, Brighton, Oxford, Reading.

CANTERBURY PARTNER

£6,500+

Expansion means that this country practice will need a new partner in the foreseeable future. A young qualified or perhaps a P.E.I. finalist with a good examination/work record could find this an interesting and demanding position.

BERKS TAX MANAGER

to £12,000

A manager of proven pedigree is required by a well-organised young firm near Camberley. Much client contact and some complex tax-planning problems call for a versatile person who has the ability to motivate others as well as himself. Partnership within a year is a distinct possibility to the right C.A.

AUDIT SENIOR W1

to £7,500

Put your experience to good use with these profitable West End chartered accountants. They are looking for an experienced senior capable of working without supervision and willing to take on early responsibility.

PARTNER'S ASSISTANT HOLBORN

c. £8,500

In this growing practice every encouragement will be given to an ambitious accountant to progress on his/her own merits. He/she will be responsible for many interesting aspects of the Partner's work and will be expected to liaise with clients at all levels. Partnership is open to the appointee with the right blend of expertise, initiative and personality.

STUDY-AIDED SEMI-SENIORS EC2

£4,500

Well-qualified P.E.I. candidates are sought by this medium-sized practice, a modern firm, with a positive attitude towards training. If you have the ability to deal with clients at all levels you will find the position in this firm rewarding both in terms of future prospects and remuneration.

NEWLY QUALIFIEDS EC2

£7,250

If you have qualified in a large firm but would now like to make your mark elsewhere you would do well to consider this medium-sized practice which can offer first-class post-qualification experience and C.P.E.

WEYBRIDGE

£9,000

Is your journey really necessary? The nerve centre of a multi-branch provincial practice requires a manager to take on his own block of clients. The ability to organise staff and liaise with partners and clients alike is paramount. The London salary reflects the importance of the position which may serve as a platform for future partnership.

ESHER

£7,500 + CAR

A progressive six-partner firm seeks a versatile C.A. for a first managerial position. Technical standards are high and varied work is the hallmark of this practice.

ST ALBANS SENIORS

£7,000

A newly/newly qualified person who wishes to work in a provincial environment could do well in this firm where staff job satisfaction is a high priority among the partners. Staff turnover is low and expansion has led to an opening for a general practice senior.

N.B. LATE NIGHT OPENING THURSDAYS UNTIL 7 P.M.

Accountancy Personnel

Halifax House, 62/64 Moorgate, London EC2 01-628 8525
14 Gt. Castle St., Oxford Circus, London W1 01-580 9186



Topcar

Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

AUDIT

AUDIT MANAGER, EC2 c. £11,000
International firm requires an A.C.A. with experience gained with a medium- or large-sized firm.

AUDIT MANAGER, EC1 to £12,000
Could be partnership prospects for the right person. Medium-sized practice with very varied clients.

NEWLY QUALIFIED/FINALISTS
to £8,500

Too many posts to give individual details. Whether you seek to join a small, medium or large International firm or are not sure what is the best move to make, we will be most happy to advise and assist you.

PARTNERSHIP PROSPECTS, EC2
£10,000+

Very friendly four-partner firm in the City offer a most interesting and rewarding position, with definite partnership prospects, to a well experienced and ambitious A.C.A.

P.A. TO PARTNER, EC2 c. £10,500
Excellent medium-sized firm require an A.C.A. who has acquired good knowledge and experience since qualifying in order to progress with the firm.

AUDIT MANAGER/P.A., EC4 c. £9,500
Qualified A.C.A./A.C.C.A. with a few years' post qualification experience is sought by this medium-sized, well-organised practice. Excellent prospects.

SENIORS/SEMI-SENIORS
£5,000-£9,000

We have more vacancies than ever on our register for experienced Audit staff. Just let us know your requirements - we know we have just the job for you.

INSOLVENCY MANAGER, WC1
£15,000+car

A well experienced Insolvency Manager is sought by this large International practice. Preferably qualified.

A.C.C.A.s
Several of our clients are seeking recently qualified A.C.C.A.s with some professional office experience.

OFFICE MANAGER, EC2 c. £6,500
To handle the office management and book-keeping of a medium-sized firm of Chartered Accountants. Previous professional office experience essential.

JUNIOR/SEMI-SENIORS, W1
£4,000+

Small general practice seeks young Audit clerks, preferably part qualified. Very mixed audit, accountancy and taxation experience to be gained with this firm.

TAX

MANAGER (COMPANY), W1 c. £9,500
International firm of repute seeks well-experienced Company Tax Manager. Preferably ATII.

MANAGER (PERSONAL), WC2
c. £9,500

Excellent opportunity to join large firm and deal with really interesting personal tax cases.

TAX MANAGER, WC2 c. £9,000
Opportunity to join a medium-sized and well-established practice. Very good knowledge and experience required.

ASST. MANAGER, W1 £8,000+
Our clients are within easy reach of Marble Arch Station. They are of medium size and require someone with previous professional office experience.

SENIOR, W1 c. £8,000
This small firm require a lady/gentleman who is able to handle a wide variety of tax cases.

CO. TAX SENIOR, EC2 c. £8,500
Substantial City firm require a person who has been dealing with company taxation for a few years. Not necessarily qualified.

SENIOR, EC3 to £7,000
Excellent opportunity for ex-T.O.(H.G.) to join a go-ahead practice where every encouragement will be given to progress.

SEMI-SENIOR, EC2 to £7,000
Personal Taxation experience is sought although there will be the opportunity to deal with company taxation at a later date.

SENIOR, EC2 c. £7,000
To work directly with the Personal Tax Manager of a substantial and well-organised City firm.

ASSISTANT, W1 c. £5,500
Very suitable position for a young person with two or three years' experience of personal taxation.

JUNIOR ASST., WC1 c. £4,500
Large firm with substantial Personal Tax Dept. requires a young lady/gentleman with a year or two's experience of personal tax.

TRUST STAFF

ASSISTANTS/SENIORS
£5,000-£7,500

There are numerous vacancies at this level for those with experience in the field of Trust Accountancy. Too many to list. They are with firms of all types and sizes and in all areas of London.

PROVINCIAL

AUDIT STAFF

Aylesbury - A.C.A. Senior - to £7,250

Banbury - Semi-Senior - c. £4,500

Bedford - P.A. to Partner - to £6,500

Bournemouth - Senior. A.C.A. - £NEG

Bradford - Mngr. A.C.A. - c. £7,000+car

Bury St Edmunds - Semi-Senior/Senior - £5,750

Edinburgh - Seniors. C.A./A.C.A. - c. £6,000

Glasgow - Qual. Senior - £5,500+

Ipswich - A.C.A. or Finlst - to £5,750

Kettering - Mngr. A.C.A. - to £9,000

Leeds - A.C.A. Senior - £NEG

Leeds - Unqual. Senior - c. £4,500

Maidstone - Semi-Seniors - £NEG

Mitcham - N.Q. A.C.A. - to £6,500

Newcastle - Asst Mgr. A.C.A. - £7,000+

Northampton - Senior. A.C.A. - c. £6,000

Oxford - Senior. A.C.A. - to £8,000

Portsmouth - N.Q. A.C.A. - £NEG

Rye - P.A. to Ptnr. P/ship - c. £8,500

Southall - Mngr. P/ship prospects - to £8,000

Southend - P.A. to Ptnr - c. £7,000

Swindon - Senior. A.C.A. - to £7,000

Trowbridge - N.Q. A.C.A. - to £6,500

Wembley - N.Q. A.C.A. - £6,500+car

Weybridge - Seniors - to £9,000; Semi-Seniors - c. £5,500

Yeovil - N.Q. A.C.A. - £6,000

TAXATION STAFF

Aldershot - Tax Manager - £NEG

Bedford - Mngr. A.C.A./A.T.I.I. - £NEG

Birmingham - Personal Tax - £5,500+

Birmingham - Corporate Tax - c. £6,500

Bradford - Tax Senior - c. £6,000

Bromley - Tax Junior - c. £3,000

Croydon - Tax Assistant - £NEG

Esher - Personal Tax - £NEG

Evesham - Personal Tax - c. £5,500

Harrow - Corporate Tax - c. £6,500

Hertford - Personal Tax - to £7,000

Hexham - Personal Tax - £6,000+

High Wycombe - Tax Spvrs - to £8,000

Kettering - Tax Mngr - to £8,500

Mitcham - Personal Tax - to £7,500

Newcastle - Corporate Tax - £6,000

Petersfield - Personal Tax - £5,500+

Portsmouth - Personal Tax - £5,500+

Preston - Personal Tax - £6,000

Reading - Personal Tax - £5,000+

Sidcup - Tax Assistant - c. £4,500

Thornton Heath - Personal Tax - to £8,500

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

Manager—Prospective Partner

London (City) £10,000—£15,000

If you are a Chartered Accountant with an in-depth knowledge of computer systems together with experience of advising clients on their installation, possibly at Manager level in a medium to large firm of Chartered Accountants and now wish to be considered for a first-class career opportunity with a long-established member firm please let me have, in confidence, details of your career to date:

Michael Hoyle
Appointments Service
Institute of Chartered Accountants in England & Wales
P.O. Box 433, Moorgate Place, London EC2P 2BJ

Guernsey, Channel Islands

Fast growing office of an international firm requires newly and recently qualified accountants to take responsibility for the audit of a wide range of international and local clients and to be involved in the administration of companies and trusts.

For newly qualified accountants we offer starting salaries in excess of £7,000 per annum and fringe benefits include performance related bonuses and a pension scheme.

Guernsey is a rapidly developing financial centre in a low tax area where successful applicants will enjoy significant opportunities for wide ranging experience, continuing professional education and training, and a higher standard of living in an attractive environment. House prices for essentially employed staff are similar to United Kingdom provincial cities and long term finance is available through the firm for house purchase.

Applications to: **The Staff Partner,
Ernst & Whinney,
14 New Street,
St. Peter Port,
Guernsey**

Tel: 0481-23232

TRAINING OFFICER

Rowley Pemberton Group Services

Rowley Pemberton Group Services undertake practical professional training for a national association of accountancy practices, as well as other firms, and are looking for an enthusiastic Chartered Accountant to be part of a small team running the courses for both students and qualified staff. Previous experience in lecturing is not essential, but an interest in training and an outgoing personality are most important. The salary will depend on age and aptitude.

Applications should be in writing to:

**J. G. Collard
Rowley Pemberton Group Services
19/23 Ludgate Hill
London EC4M 7PD**



WILSON MITCHELL ASSOCIATES

ACCOUNTANCY RECRUITMENT CONSULTANTS

WEST COUNTRY AND SOUTH WALES

We are the leading specialists in accountancy recruitment for the South-West with two offices in the area permanently staffed by qualified accountants. We maintain comprehensive registers of vacancies in the profession at all levels, with clients ranging from sole practitioners to the international firms. An indication of current requirements is shown below.

P.A.s/PROSPECTIVE PARTNERS £6,000—£9,000

Bridgwater, Bristol, Cardiff, Cirencester, Exeter, Newport, North Cornwall, Pershore, Port Talbot, Salisbury, Shepton Mallet, Swansea, Swindon, Taunton.

SENIORS/MANAGERS Unqualified to £6,100. Qualified to £7,500

Barnstaple, Bath, Bournemouth, Bridgend, Bridgwater, Bristol, Burnham-on-Sea, Cardiff, Cheltenham, Dorchester, Exeter, Gloucester, Newport, Newton Abbot, Shepton Mallet, Sidmouth, Swansea, Swindon, Taunton, Torquay, Trowbridge, Weston-super-Mare, Weymouth, Yeovil.

SEMI-SENIORS/FINALISTS £3,500—£5,000

Bath, Bridgend, Bristol, Burnham-on-Sea, Cardiff, Dorchester, Exeter, Gloucester, Newport, Penzance, Port Talbot, Redruth, Shepton Mallet, Swansea, Swindon, Taunton, Trowbridge, Weston-super-Mare.

For Avon, Glos, Wilts, South Wales and the Border Counties, contact Andrew Mitchell, ACCA, on Bristol (0272) 291972 (9 am to 7 pm).

For Somerset, Dorset, Devon and Cornwall, contact Clive Chadwick, ACA, on Taunton (0823) 76981 (9 am to 7 pm).

WILSON MITCHELL ASSOCIATES

21 The Crescent, Taunton, Somerset TA1 4EB
10 Queen Square, Bristol BS1 4NT

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * BOOK-KEEPERS
- * ACCOUNTS CLERKS
- * WAGES CLERKS
- * MACHINE OPERATORS

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

AUDIT PARTNER DESIGNATE. WEST END

c. £10,000
Small Firm which has an established Practice outside London are seeking the above. Ideally someone who has large work Patterns is sought for this growing Practice.

AUDIT SENIOR. WEST END c. £8,500
Medium Firm with a varied Practice are seeking the above. Ideally someone who has a sound knowledge of Audit and Tax work and is able to work without Supervision.

AUDIT SUPERVISOR. CENTRAL

c. £8,000
Medium/Large Firm are seeking the above. Must have sound knowledge of working at the higher level of work Patterns.

AUDIT MANAGER SMALL AUDITS. CITY

c. £8,000
Large City Firm are seeking the above. Ideally they seek someone who is already involved with this work. This is a new Post with obvious potential.

AUDIT SENIOR. CITY

£Neg
Medium/Large Firm are seeking the above. They have largish work Patterns and need a responsible person.

AUDIT SENIOR. CITY

to £7,500
Medium/Large City Firm are seeking the above. Ideally someone with a good examination record and sound experience of larger type work.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

AUDIT SENIORS AND SEMI-SENIORS

We are a well-established firm of Chartered Accountants in Harrow and require qualified staff to supervise larger private company and partnership audits and also to finalise the work of junior staff. The work is of wide and interesting variety and also includes corporate taxation and accountancy.

We will pay excellent salaries to successful applicants of the right calibre.

Enquiries are also invited from applicants in final stages of qualifying.

Please telephone **W. Colletts at 01-427 9741.**
or write to:

**Nunn Crick & Bussell
13 St John's Road
Harrow
Middlesex
HA1 2DF**

PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+-. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

A CITY FIRM, King William Street, small/medium clients include International and public companies offers opportunity of challenging experience and early advancement to first-class Senior and Semi-senior. - Full details please to Box AC 7193.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agg.).

C.A.s West Country and South Wales require qualified manager 25-35. Mixed practice. No specialist department. Salary circa £7,000+ commencing. Possibility of partnership. - Box CA 2982.

C.A.s West Country and South Wales require qualified manager 25-35. Mixed practice. No specialist department. Salary circa £7,000+ commencing. Possibility of partnership. - Box CA 2982.

CHARTERED ACCOUNTANTS, CHESHAM, BUCKS, require chartered accountant with at least two years' post-qualification experience, good knowledge of taxation and incomplete records. Partnership prospects after short period to successful applicant. Commencing salary £8,000 per annum. - Write full details to Box CA 3003.

CHARTERED ACCOUNTANTS in South West London require a person to act as partners' assistant and to manage a selection of cases, including taxation, on own initiative. Preferably qualified with at least two years' post-qualification experience but an unqualified person of long experience might be considered.

Salary envisaged £6,000 to £8,000 plus benefits, according to age, qualifications and experience.
Send c.v. to Box CA 7186.

CANTERBURY OFFICE of a firm of Chartered Accountants requires two qualified or near qualified accountants to act as Personal Assistants to Partners. We are a branch of a national firm and can offer varied and interesting work with in-firm C.P.E. training. There is always the possibility of a future partnership for the right individual and our salary structure is probably above average. In addition, there are numerous additional benefits offered to permanent staff.

For further information write to MacIntyre Hudson, 32/33 Watling Street, Canterbury, or Telephone Canterbury (0227) 54861.

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act.
Our service to applicants is personal, confidential and free

COMMERCE • INDUSTRY • PRACTICE • COMMERCE

CHARTERED ACCOUNTANTS. - Edgware, require junior and semi-senior audit and accounts staff for small, modern and expanding practice. Good terms and facilities. - Please Tel. 01-951 0888.

CHARTERED ACCOUNTANTS require a semi-senior at their Woodford office. The position would suite either a newly qualified A.C.C.A. or member of the I.A.S. - Please reply to Box CA 3039.

CHARTERED ACCOUNTANTS, UPMINSTER, ESSEX, seek accounts assistant, not necessarily qualified to deal with all aspects of accounts. Excellent salary and prospects. Tel. Upminster 50979 or 25367.

LONDON W.1.

£8,000 per annum

Able Senior required, not necessarily qualified, to lead a small team auditing proprietary companies. Need not be experienced in tax, as that work will be done by partners, but must be well experienced in audits with good working papers and schedules, which can be relied upon by the Partner completing the accounts. Ample opportunity for progress.

Write fully with age and experience Box LW 30872.

CHINGFORD CHARTERED ACCOUNTANTS moved from City have vacancies for accountancy and audit staff. Varied and interesting work, salary negotiable. - Box CC 2983.

EXPERIENCED SENIOR required by accountants in Bexleyheath, must be familiar with personal/company taxation and incomplete records together with ability to audit medium-sized limited companies. - Telephone 01-304 8334/5.

FED UP. - Need a change, then why not come to us on the lovely South Coast where you will find rewards more than matching effort. We are a progressive firm of accountants looking for qualified staff and prepared to offer the right applicants good salaries, B.U.P.A. membership, contributory pension scheme, C.P.E. facilities, long-term rewards, etc., in a pleasant working environment. - Apply the Staff Partner, Hamilton & Wilton, 28 Wilton Road, Bexhill-on-Sea, East Sussex.

£9,000 per annum

We are a firm of Certified Accountants acting mainly for substantial private companies, some with several subsidiaries or associated companies, and we require a really professional senior to lead our audit staff and complete accounts. The right person should have full knowledge and experience of current accountancy and audit practice and all forms of taxation for finalising accounts of proprietary companies, and to work directly with the partners.

Write with full details of age qualifications and experience to **The Senior Partner, T. H. Hazlem & Company, 29 Dering Street, London W1R 9AA.**

**INTERNAL AUDIT
U.K. & OVERSEAS
c. £9,500**

Qualified Accountant for International Oil Company. Based in London, he will spend approximately 60% of his time travelling abroad – mainly Europe, possibly Bermuda and Japan. Experience of flow chart evaluation and statistical sampling techniques essential. Age: 28 up to early 40's.

**P.A. TO PARTNER
JERSEY
£8,000-£10,000**

Entrepreneurial Practitioner in his mid-thirties requires an ambitious Right-Hand Person. Solidly expanding portfolio of clients, with a bias to general practice rather than pure audit. Good partnership prospects in one to three years. Ideal age: 26-32. Accommodation (single or married) available. An excellent opportunity – and remember the moderate Channel Isles income tax!

**AUDIT MANAGER
LAGOS
£EXCELLENT**

Qualified Chartered Accountant for flourishing Nigerian Practice of a top international firm of C.A.s. The ideal candidate will be a Graduate, trained with another large firm. Career prospects are superb, including partnership in the medium term.

**FINANCE MANAGER
LIBYA
To £15,000**

No. 2 to Admin & Finance Director. Applicant should have a minimum 4 years experience as a Chief Accountant, or Financial Controller, or Audit Manager. – In large companies, preferably in the engineering and contracting fields. Fluency in Arabic essential.

**ACCOUNTANT
CITY
£8,000-£10,000**

A rapidly expanding firm of Insurance Brokers requires a young Qualified Accountant to take charge of all internal accounts and related matters. – Firm currently computerising.

**INVESTMENT DEPT MGR
CITY C.A.s
£7,500-£8,250**

Young Qualified (Female or Male) Chartered Accountant, to specialise in auditing and accounts of companies buying/selling stocks, shares and property. Supervision of 4 Assistants.

**COMPANY ACCOUNTANT
NW1
£8,000**

To control accounts department and deal with all financial affairs of the Company. Sound commercial background and knowledge computerized accounts. Not necessarily qualified.

**ACCOUNTANT
HIGH WYCOMBE
£7,000+**

Qualified, or unqualified experienced Person. Age 28-30. New post heading small accounts dept., progressing to Financial Controller in 2/3 years. Mfg Co.

AUDIT MANAGER WC1 to **£11,500**
Excellent medium Practice. No immediate Partnership. Good background essential.

AUDIT MANAGER WEST END **£10,000+**
A.C.A./A.C.C.A. or experienced in profession, Audit/Accountancy, no tax. Supervise two.

FINALISTS/NEWLY QUALS. W1 to **£7,500**
Two seniors for general practice work. Small firm.

Investment Dept. MANAGER CITY to **£8,250**
A.C.A., under 30 to specialise. Assist companies dealing stocks/shares/property.

AUDIT SUPERVISOR WC1 c. **£8,000**
Two years' P.Q.E. or several years' professional experience. Clients throughout U.K. Ex. medium firm.

QUALIFIED SENIOR W2 **£7,000-£9,000**
Rapidly expanding lively firm for audit/general practice work.

P.A. TO PARTNER W1 c. **£7,000**
Small/medium firm background. Travel throughout U.K. Small/medium firm.

AUDIT MANAGER EC2 c. **£9,500**
Preferably A.C.A. Audits of substantial private companies. Medium firm.

FINALISTS CITY **£Neg**
Audit and general practice. Paid study leave and courses. Excellent 8-partner firm.

Also: **ESHER, AYLESBURY, TROWBRIDGE, YEOVIL, GUILDFORD, EXETER, PETERSFIELD, HARROW, SOUTHPORT, OXFORD, BEDFORD, NORWICH, WATFORD.**

AUDIT MANAGERS EC2/WC1 **£10,000+Car**
A.C.A.'s. Medium firm background. Medium/large firms. Highly progressive.

P.A. to Partner WC2 **£8,500**
One/two years' P.Q.E. Excellent opportunity in six-Partner firm.

AUDIT SENIOR WC1 to **£8,500**
Possibly finalist but A.C.A. preferred with large audit experience. Four-Partner firm.

SENIOR **OXFORD**
To £8,000. One/two years P.Q.E. Mainly small clients. Tax experience. Possibly Partnership long term.

AUDIT SENIOR **WEYBRIDGE**
To £7,000. Not necessarily qualified. Small firm.

P.A. TO PARTNER **WEMBLEY**
c. £6,500+Car. Preferably newly qualified A.C.A.

AUDIT CLERKS **NORWICH**
£Neg. Seniors and Semi-seniors. Excellent large firm.

SENIORS **ESHER**
£London Rates in Office of London firm. Car provided for Qualified A.C.A.

MANAGER **MANCHESTER**
£8,500+Car. A.C.A. for Audit and General Practice. Excellent early prospects of Partnership.

FINALIST **LEATHERHEAD**
£Neg. Audit and General Practice work. Local office of London firm.

Evenings/weekends ring Slough 46539.

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

INSOLVENCY MANAGER

London

£15,000

A major International Practice with offices in most major centres world-wide seeks to recruit an insolvency manager for their London Office.

Candidates should be professionally qualified with previous experience of an international Firm although not necessarily within the insolvency department. Individuals with some commercial experience, possibly in a bank or management consultancy, capable of working under pressure in difficult situations will be considered.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

AUDIT MANAGER

London

£12,000

Our client, a medium-sized Firm of Chartered Accountants wishes to recruit an additional manager for their rapidly expanding audit department.

Candidates should be qualified A.C.A.s with experience both in a medium- and large-sized Practice and have the ability to handle both close and smaller public company audits.

For the right applicant an offer of partnership in the medium term will be considered.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-

CARE OF PUBLIC PRACTICE

ALDERSHOT	General Practice	£7,500
AMERSHAM	P.A. to Partner	£8,000
ASHFORD	Prospective Partner	£8,000
AYLESBURY	Mixed Portfolio	£7,250
BARNET	Audit/Accounts	£7,500
BARNESLEY	P.A. to Partner	£6,750
BASILDON	Audit Manager	£7,500
BASINGSTOKE	Prospective Partner	to £10,000
BATH	General Practice	£7,000
BEACONSFIELD	Newly Qualified	£7,000
BECKENHAM	Audit/Accountancy	£7,000
BEDFORD	Audit Asst Manager	£7,500
BEXHILL	Prospective Partner	£8,000+
BIRMINGHAM	International Firm	£6,750
BIRMINGHAM	Local Practice	£7,000
BISHOP'S STORTFORD	P.A. to Partner	£NEG.
BOURNEMOUTH	National Firm	£NEG.
BRACKNELL	Prospective Partner	to £10,000
BRADFORD	Gen. Prac./Manager	£7,000+car
BRENTWOOD	Audit Manager	£7,500
BRIGHTON	Prospective Partner	£9,000
BRISTOL	Prospective Partner	to £10,000
BROMLEY	Audit Manager	£8,500
CAMBRIDGE	Audit Seniors	£7,000
CANTERBURY	P.A. to Partner	£7,000
CARDIFF/NEWPORT	International Firm	£NEG.
CHELMSFORD	London Firm	to £7,500
CHELTENHAM	International Firm	£7,000
COLCHESTER	Local Firm	£6,500
COVENTRY	P.A. to Partner	£7,000
CROYDON	Audit Supervisor	£9,500
DERBY	Local Firm/Finalists	£5,000
DOUGLAS, Lo.M.	Brochures Available	£NEG.
EASTBOURNE	Prospective Partner	£8,000
EAST GRINSTEAD	P.A. to Partner	£7,500
EDGWARE	P.A. to Partner	£8,500
ENFIELD	General Practice	£8,000
FARNHAM	P.A. to Partner	£6,000
GLOUCESTER	International Firm	£NEG.

In the first instance telephone

01-2

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

PRACTICE APPOINTMENTS)

VELOPMENT UNITED KINGDOM

UERNSEY/JERSEY	Various Vacancies	£8,000
UILD FORD	Audit Manager	£7,500
ARROW/WEMBLEY	P.A. to Partner	£8,000
ERTFORD	Tax Senior	£7,000
IGH WYCOMBE	Prospective Partner	to £10,000
ITCHIN	P.A. to Partner	£6,500
OUNSLOW	General Practice	£NEG.
UDDERSFIELD	Local Firm	£6,000
ULL	Medium Firm	£6,000
.FORD	Personal Tax	£7,500
'SWICH	Assistant Manager	£9,000
ETTERING	Audit Manager	to £9,000
EAMINGTON	P.A. to Partner	£6,500
EEDS	Two Year Qualified	£NEG.
EICESTER	Local Firm	£6,500
IVERPOOL	International Firm	£NEG.
ONDON WC2	P.A. to Partner	£9,000
ONDON EC1	Assistant Manager	£9,500
ONDON W1	Audit Supervisor	£8,500
UTON	P.A. to Partner	£7,000
LAIDSTONE	Local Firm	£NEG.
LANCHESTER	International Firm	£6,500
LANCHESTER	Prospective Partner	to £10,000
IDDLESBROUGH	Medium Firm	£NEG.
EWCASTLE	General Practice	£5,700
ORTHAMPTON	Seniors	£NEG.
ORWICH	Audit Manager	£7,000
OTTINGHAM	Tax Specialisation	£8,000
XFORD	Prospective Partner	to £10,000
ETERSFIELD	General Practice	£7,000
ORTSMOUTH	Audit Senior	£NEG.
EADING/SLOUGH	Prospective Partner	to £10,000
ICHMOND	Audit Manager	£NEG.
T ALBANS	P.A. to Partner	£6,500
HEFFIELD	Prospective Partner	to £10,000
OUTHAMPTON	Audit Seniors	£NEG.
OUTHEND	Finalists	to £5,000
'ATFORD	Finalists	to £5,000
'OKING/WEYBRIDGE	Qualified	£7,000
'ORTHING	General Practice	£6,000

Write to John Walker, F.C.A.

0441

PRACTICE APPOINTMENTS)
HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

AUDIT MANAGER £15,000 c. 10-YEAR QUALIFIED

A large London Firm with international reputation for specialist services in various types of industries has a need for an additional experienced audit manager.

Candidates will be qualified A.C.A.s with around 10 years' post-qualified experience, particularly of larger close companies. Experience of public company audit procedures would be an added advantage.

This position arises out of the expansion of the Firm's activities.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TRAINING MANAGER London

A well-established City Firm with various associate offices in the United Kingdom currently wishes to recruit a Training Manager.

Candidates will be Chartered Accountants with a keen interest in organising and running courses for qualified and student members of staff. Previous training experience is not essential but would be an advantage.

Salary is negotiable dependent on age and experience.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

FAST DEVELOPING chartered accountants in County Durham require seniors, not necessarily qualified. An interesting and wide variety of work including computerised incomplete records. Salaries in the range £4,000 to £7,000. A car may be provided. — Box FD 2992.

HOVE OFFICE of National firm of chartered accountants require newly qualified and senior audit staff. Salaries up to £6,500 p.a. dependent upon relevant experience. Applications to J. E. Powell, FCA, Kidsons, 83a Western Road, Hove, Sussex BN3 1LJ.

NORTH DEVON CHARTERED ACCOUNTANTS seek A.C.A. under 35 for their expanding two office firm. Able person, capable of controlling variety of clients and well experienced in rural practice work. Partnership 1981-82, c. £7,500. — Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel. 0935 25996/25183.

NORTH LONDON firm of chartered and certified accountants require experienced audit and taxation staff to work directly with partners. Salaries at current levels are negotiable according to age and ability. — Please telephone Staff Partner at 01-837 6301.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. — Box QO 6397.

RECRUITMENT CONSULTANT. — Essex-based practice merger and recruitment consultancy dealing with the profession, nationwide at principal level, requires an experienced man or woman who could benefit from reduced travel, an innovative approach, exceptional financial potential and personal recognition. In the first instance, contact our managing partner for a discussion in strictest confidence. — Resource Management Associates, 157 New London Road, Chelmsford, Essex, Tel. Office 0245 81166 Evenings 0245 59348.

SEMI-SENIOR required by City accountants. Contact Qureshi and company 01-638 3815. Good conditions with experience of computers available.

SMALL FIRM of chartered accountants in North West London require semi-seniors and a senior unqualified audit clerk. Good salary and long-term prospects with comfortable working conditions in an easy going office. — Box SF 2996.

SOUTH BUCKS C.A.s require experienced chartered accountant for small practice offering good prospects of early partnership. — Write Box SB 3006.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

SEMI-SENIOR

We are a small but interesting firm of Chartered Accountants tending to specialise in the accounts and taxation of a theatrical and musical clientele. Our offices overlook Clapham Common but are close to the Underground. We offer an opportunity for wide experience and responsibility to a semi-senior with good experience of incomplete records and small companies.

Prospects are excellent for the right person and a good commencing salary will be paid depending on experience. Phone M. J. Dunbar 01-622 3426.

TAX SENIOR at a good salary required by a small firm of C.A.s, London NW. To take charge of a variety of interesting cases. — Reply Box TS 3021.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. — 01-405 4457.

WEST END CHARTERED ACCOUNTANTS seek senior and semi-senior audit staff. — Write giving details of experience and salary requirements to Box WE 3008.

YOUNG CHARTERED ACCOUNTANT, preferably newly-qualified, required as office manager in a two-partner branch office of a substantial provincial practice in Herefordshire market town. Knowledge of incomplete records essential. Very competitive salary and removal expenses with full equity partnership prospects in two/three years. — Box YC 3009.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. — Write Box AC 2997.

ARTICLES/TRANSFERS from £3,250. — Pembroke & Pembroke operate a national service. — Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CLERK studying for certified examinations required for chartered accountants, London N20 area to assist partners in small, varied busy practice. Excellent experience given. Good salary. Annual bonus. — Box CS 3031.

TRANSFERS AVAILABLE for good students at all levels. Our client is a large City practice. Competitive salaries plus good student benefits. — Brian Ingram Associates. 01-458 5313.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

COMMERCE & INDUSTRY

ACCOUNTANT/ COMPANY SECRETARY

Penton Tools Limited, a leading supplier of specialists moulds for the Plastics Industry are seeking a Chartered Accountant to take full control of all financial and legislative functions. The company employ on average 100 personnel and the successful candidate will be expected to play an active and broadly based role within the present management structure. The remuneration offered will reflect the seniority of the appointment.

Applicants should be aged 30-45 and preferably have experience within an industrial environment.

Interested candidates should in the first instance apply in writing giving brief personal and career details to the:

**MANAGING DIRECTOR
PENTON TOOLS LIMITED
CORONATION ROAD
HIGH WYCOMBE
BUCKS**

FINANCIAL ACCOUNTANT Circa £8,500 Plus House

Financial Accountant required for Independent Plant Bakery near High Wycombe. The successful applicant will report to the General Manager and will be responsible for the management of all office routines and for the control and co-ordination of financial and costing information. This is a senior post and a Company house is available. Preference will be given to Qualified Accountants and the position offers the opportunity of early progression to the position of Company Secretary.

Apply to:
**R. C. Simmons
Chairman**

**Associated Family Bakers (Home Counties) Ltd
Ludwick
11 Cranborne Road
Hatfield, Herts**

ACCOUNTANT Housing Association

► The St. Pancras Housing Association in Camden was founded in 1924 to improve living conditions whilst maintaining communities. It is a Charity and a Registered Housing Association, now managing some 1200 flats or houses and aiming to develop new or improved homes at a rate of 120 each year.

► The vacant post of Accountant provides an opportunity to apply professional skills in the management of an organisation whose purposes are charitable.

► Although experience with a similar body would be valuable, the essential requirements are (a) proven competence in running a small (preferably computerised) unit; (b) the capacity to deal with accounts comprehensively (i.e. from book entries to final accounts); (c) appropriate qualification for advising the General Manager and, on occasion, the Committee of Management.

► Salary negotiable up to about £8750 with pension provisions. Age between 30 and about 50.

Applications will be handled in confidence.

Nothing will be disclosed without leave.

*Letters to:- M. J. Graham-Jones,
The Faculties Partnership Ltd.,
177 Vauxhall Bridge Road,
London SW1V 1ER.*

Recruitment Consultant

Expanding Consultancy requires exp. consultant to set up professional accountancy section. It will be a challenging and rewarding career.

Please phone **Mrs A. Atkinson on 434 1004 for further details.**

Large NW public company

engaged in manufacturing of clothing require a qualified Chartered Accountants to take control of all financial costing and management accounts.

Applicants should be aged 30-40 with some commercial experience and will be required to work in the Manchester area.

Salary and terms will be negotiable depending on experience. Box LN 30873.

J. & A. Scrimgeour Limited

STOCKBROKERS

LONDON

Senior Accountant

Experienced accountant, not necessarily qualified but having a professional background and commercial experience. The candidate should be capable of dealing with the day-to-day running of the accounts department being responsible to the Company Secretary. This is a varied and interesting position for a person who should be fully conversant with salaries, pensions, VAT and be able to produce monthly management accounts, periodic forecasts and cost accounts.

A competitive salary will be offered with participation in a profit sharing scheme together with life and permanent health insurance and a non-contributory pension scheme.

Applications with C.V. to:

The General Manager
J. & A. Scrimgeour Limited
The Stock Exchange
London EC2N 1HD

THE CROMWELL HOSPITAL

(An MSI Project managed by
Hospital Affiliates International)

This new private hospital with 125 beds is due to open in the Autumn of 1980. Situated on the Cromwell Road adjacent to the West London Air Terminal, the hospital offers a superlative working environment and unequalled skill opportunity for top grade technically qualified staff with real management ability.

Applications are now sought for early appointment to the posts of:

1. Financial Controller
2. Deputy Administrator

initially to join the Commissioning Team and then to assume responsibility for their roles when the hospital opens.

Attractive compensation package.

Enquiries and C.V. to **Frank Atkinson**,
Chief Executive, The Cromwell Hospital,
c/o Hospital Affiliates International,
1/11 May Hill, Berkeley Square,
London W1.

by 1st December, 1979.

OFFICIAL APPOINTMENTS

INNER LONDON
EDUCATION AUTHORITY
SOUTH WEST LONDON COLLEGE
FACULTY OF ACCOUNTANCY

Required for January 1st, 1980, or as soon as possible thereafter 2 LECTURERS II IN ACCOUNTING to teach Financial Accounting at Foundation and Professional I level and Costing at Foundation level of the A.C.C.A.; ability to teach taxation and/or auditing would be an advantage. Applicants should have a professional accountancy qualification.

Salary scale: Lecturer II - £4,470-£7,149 plus supplement of £6 per month subject to formal approval (plus £474 Inner London Allowance).

Assistance may be given towards household removal expenses. Further details and form of application returnable within 14 days from Deputy Senior Administrative Officer, South West London College, Tooting Broadway, London SW17 0TQ. (T.207).

THE HATFIELD POLYTECHNIC LII/SL IN ACCOUNTING

Applicants should be able to teach financial accounting and/or management accounting to one or more of: (i) Accountancy Foundation courses; (ii) B.E.C. courses; and (iii) Business Studies degree course. An ability to provide some teaching on courses for professional students or to offer professionally-oriented short courses or to carry out research will be an added advantage.

Candidates must have a professional qualification and/or a degree, but preferably both, and appropriate teaching or research experience.

Salary: LII to £7,221 p.a. plus £159 local weighting. SL to £8,325 p.a. plus £159 local weighting.

Application forms (which must be returned by November 30th, 1979) and further details may be obtained from The Staffing Office, The Hatfield Polytechnic, P.O. Box 109, Hatfield, Herts AL10 9AB, or telephone Hatfield 69100, extension 309. Please quote ref: 304.

LECTURER GRADE II/ SENIOR LECTURER IN ACCOUNTING

Applicants will be required to teach on degree and other professional courses.

Salary: £4,542-£7,773 (Bar) - £8,325.

Further details and form of application available from The Assistant Director and Chief Administrative Officer, Trent Polytechnic, Burton Street, Nottingham NG1 4BU.

Applications to be returned as soon as possible.

**TRENT
POLYTECHNIC
NOTTINGHAM**

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. - Please reply to Box AB 64285.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. - For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

A QUALIFIED certified accountant (Ceylones) with considerable commercial experience seeks position with sole practitioner or small firm. Prospects to partnership once practising certificate is obtained - some capital available. - Please apply to Box AQ 2986.

A.C.A. GUILDFORD. - Tired of commuting seeks position in provinces. Good all-round small/medium firm experience including tax and training. - Box AC 2995.

BIRMINGHAM OFFICE of medium-sized chartered firm, general practice, modern offices, Edgbaston, has surplus accommodation, suitable small firm seeking working arrangement possibly leading to merger. Training facilities available to staff. - Box BO 3032.

CERTIFIED ACCOUNTANT, North-West London is prepared to purchase small practice or block of audits, approximately £1,000-£2,000 fees. Immediate cash available. - Box CA 3023.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. - Box CA 6429.

Acquisition/Merger Req'd in South of London or Surrey

■ **LOCATION.** A highly respected City firm of long standing now wishes to expand by means of a compatible acquisition or merger in the South of London/Surrey and will seriously consider blocks or practices in this area.

■ **OUR CLIENT.** With a partner/Staff complement of c. 100, GF over £1,000,000, strong and comprehensive city connections, a national clientele, advanced systems, valuable training facilities and excellent client acceptance, we feel that superb prospects exist for rapid personal professional and financial advancement.

■ **OUR PROPOSALS.** If you are overworked, under capitalised or frustrated and wish full/partial withdrawal our client can offer an attractive capital payment of up to 1½ times GF depending on size and quality, with continuity. Alternatively should a merger, appeal, then generous personal and financial terms will be equitably negotiated and full recognition given to each partner's stature, professional ability and personal contribution.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81167 Cables Resource

Practice Disposal Home Counties, West of London GF c. £225,000

■ **OUR CLIENT** A Chartered Practice which has commanded respect since the turn of the century, having a GF of c. £225,000, and steadily growing, now wishes to make suitable arrangements for disposal due to the impending future retirement of the partners. Present organic growth should reach £1½ M within the next 5 years.

■ **THIS PRACTICE** serves a well spread, mixed clientele for most professional services with a partner/staff complement of c. 30. It is operated from well appointed extremely central and sought after premises of c. 5,500 sq ft. The location is in an area of pivotal importance for industrial and commercial development potential.

■ **REMARKS** Propositions are invited from substantial firms for the goodwill and excellent potential of this strategically positioned practice. Limited continuity will be assured by the vendor to promote a smooth transition and all enquiries will be treated in strictest confidence. Identity not revealed without prior permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

PROFESSIONAL SERVICES DIVISION

As recruitment Consultants to the professions we have established contact and rapport with professional firms both nationally and internationally. We are on an increasing number of occasions asked to look not simply for additional partners but to assist with acquisitions, disposals and mergers of accounting practices.

Our Professional Services Division are currently asked to seek practices for acquisition/disposal in the following, and other, areas:

CENTRAL LONDON to £1,000,000 GF
WEST SUSSEX/HAMPSHIRE to £250,000 GF
**GLASGOW/EDINBURGH/
BIRMINGHAM/BRISTOL/CARDIFF/
DUNDEE/EASTERN COUNTIES** to £500,000 Plus GF
DEVON/CORNWALL/SOMERSET to £100,000 GF
**CAMBRIDGESHIRE/NORFOLK/
BEDFORDSHIRE** c £40,000 GF
DENNIS CHATFIELD & ASSOCIATES
WHEATSHAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353-1307/
1308/5831.

CHARTERED ACCOUNTANT near London requires G.R.F. of up to £40,000 or would like to hear from overburdened practitioners. Flexible arrangements available. — Box CA 3011.

CHARTERED ACCOUNTANTS North London, wishing to expand, seek to purchase, or merge with, an existing practice with G.R.F. of up to £40,000. London area or surrounding home counties. All propositions will receive serious consideration. — Box CA 2987.

CHARTERED ACCOUNTANT required to replace retiring partner and to develop branch office in mid-Wales border practice. Definite partnership after short initial trial. Some capital required. — Box CA 3033.

CHARTERED ACCOUNTANT with a practice in West End wishes to acquire a small practice. Would also be interested in discussions with practitioner considering retirement. — Box CA 2915.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. — Box CA 6428.

CHARTERED ACCOUNTANTS, CHESHAM, BUCKS, require chartered accountant with at least two years' post-qualification experience, good knowledge of taxation and incomplete records. Partnership prospects after short period to successful applicant. Commencing salary £8,000 per annum. — Write full details to Box CA 3004.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantages. — Please reply to Box CC 6430.

ESTABLISHED CHARTERED ACCOUNTANT wishes to acquire personal tax cases. Any size or area. — Box EC 3034.

F.C.A., aged 30, living in Mill Hill, wishes to acquire £6,000 G.R.F. Would also consider subcontracting arrangement. — Please write Box FC 3000.

FIRM OF C.A.s in North London seeks practice or block of audits. Ample resources available. Retirement situations considered. — FO 3025.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. — Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

PRACTICE FOR SALE. South East England. — Apply Box PF 3024.

PRACTITIONER WISHES to acquire old-established practice where a personal client service is highly regarded. — Please reply in strictest confidence. — Box PW 2937.

SOLE PRACTITIONER, B.O.T. authorised, situated SW. Essex and NE. London with G.R.F. £25,000 seeks merger/association to pool resources and overheads and cope with expansion. — Box SP 2988.

SHEFFIELD CHARTERED ACCOUNTANTS, two partners, G.F. £50,000, welcome discussions with other firms with a view to merger or full/partial sale. — Box SC 3012.

SOLE PRACTITIONER, LONDON W5 wishes to acquire small practice or block of audits up to £10,000 approx. Would also be interested in discussing with practitioners considering retirement. — Box SP 3013.

SOLE PRACTITIONER N. London, wishes to retire and seeks inquiries. Practice of some thirty years standing with varied clientele. — Apply Box SP 3035.

SOUTH BUCKS C.A.s require experienced chartered accountant for small practice offering good prospects of early partnership. — Write Box SB 3007.

WELL-ESTABLISHED Chartered Accountant seeks further expansion by acquiring a block of fees up to £20,000 G.R.F. Specialist services are provided for smaller clients. Preferred area is NW. London but all related areas would be considered. Cash/pension arrangements can be promptly arranged. Box WE 7185.

SUBCONTRACT WORK

ENFIELD FIRM requires subcontractor., preferably in profession, with good experience. Must be able to prepare taxation computations for sole traders to companies. — Full particulars of experience to Box EF 3002.

HARROW/WEMBLEY CHARTERED ACCOUNTANTS require person to prepare draft accounts and tax computations at their offices on a subcontract or full-time basis. — Details of experience to Box HW 3036.

SUBCONTRACTORS REQUIRED. General accountancy work/incomplete records/taxation. To work on or off our premises. Colchester area. — Telephone 07875 3367.

SUBCONTRACTORS required to work at accountants in Bexleyheath, to produce final accounts from incomplete records and ability to audit limited companies and must be experienced in personal/company taxation. — Telephone 01-304 8334/5.

ABLE BENGALI-SPEAKING chartered PEII finalist with lots of experience in all fields seeks subcontract work from Bengali-speaking chartered accountants in practice in London. Will consider part-time working in principal's office. — Box AB 3019.

ACCOUNTANT QUALIFIED. — Incomplete records to limited company accounts, tax costing, etc. — Box AQ 7174.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6432.

CHARTERED ACCOUNTANT available for subcontract work for one or two days per week in the city or South London area. — Box CA 3016.

CHARTERED ACCOUNTANT seeks subcontract work in North London or adjoining areas. — Box CA 3026.

F.C.A., seeks regular subcontract work or temporary assignments. Willing to work at firm's premises. Will collect and deliver. — Box FC 2989.

F.C.A. with spare capacity seeks subcontract work within 25-mile radius of Colchester, can collect and deliver. — Box FC 3017.

PEII FINALIST with six years' experience in incomplete records, limited company audits, VAT, P.A.Y.E., etc. Available for subcontract work in London area. Will collect and deliver. — Box PE 3018.

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. — Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. — Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. — All replies to Box AC 6435.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS

Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5

Freelances and Job Applicants required also.

BOOK-KEEPER. — Willing to work at home. Will collect and deliver in NW. London area. — Please telephone 01-952 2094.

BRITISH CHARTERED ACCOUNTANT considerable experience company audits, personal and corporate taxation, seeks employment as manager. — S. A. Siddiqi, 49 Tavistock Avenue, Perivale, Middx. (01-998 5824.)

CHARTERED ACCOUNTANT, graduate. Wide experience including U.S.A. and Germany. Seeks short-term assignments or subcontract work. U.K. or abroad. — Reply to Box CA 2990.

TRAINING CONTRACTS

A.C.C.A. (POST FOUNDATION) trainee accountant (21), available to start January 1980. — Please write to Mr B. R. Patel, Room 464, Central London Y.M.C.A., Great Russell Street, London WC1.

ARTICLE CLERK seeking transfer to other chartered accountant firm in Central London. With principal's consent. — Box AC 3041.

U.K. GRADUATE seeks articleship with small or medium sized chartered firm. Starts immediately. Partha Sarathy Bannerjee, 15 Totterdown Street, London SW17. — Tel. 01-767 3257.

SERVICES

COMPANY FORMATIONS

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETLEBURGH LIMITED
140, 141 **TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON EC4Y 0HE.** Tel. 01-353 1441
Ring any day — any time — 24 hour service

A BACKED SERVICE. — Limited companies formed or ready made. — Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5

3177/8, 7361, 9936

Telex 887475

Express Co Registrations Ltd
30 CITY ROAD
LONDON EC1

READY-MADE COMPANIES available now, also formations, etc. — Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

LIMITED COMPANIES

NEW FORMATIONS

—AND—

READY-MADE COMPANIES

FOR ALL TRADES £90

(Complete: no hidden extras)

ALSO

COMPANY SEARCHES

Searches, Seals, Registers, etc.

Descriptive literature from:

GRAY'S INN COMPANY FORMATIONS LTD
87-89 Tabernacle Street
London EC2A 4BA
(Phone 01-253 3551/2)

**COMPANY FORMATIONS
READY-MADE COMPANIES
COMPANY SEARCHES**

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

COMPANY SEARCHES. — Prompt and reliable personal service at moderate rates. — M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.
READY-MADE COMPANIES £93-35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81-68 including books, seal, VAT, *Speedy searches.* — Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

**READY-MADE COMPANIES
NOW AVAILABLE**

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

MORTGAGES

ABANDON CHASING THAT MORTGAGE. — 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. — Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

A COMPREHENSIVE MORTGAGE SERVICE. — Maximum loans for professional applicants. Very competitive top-up facilities. Attractive second mortgage scheme. Speedy mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing, etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. — Rowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. 01-908 3434 (24 hours).

100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. — Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

MISCELLANEOUS

FOR SALE

SIMON'S TAXES, 3rd edition up to date. Offers invited phone Upper Warringham 4805/6.

What's the fastest way to form a company?

With over 100 experienced people on our staff and around 700 ready-made companies on our books we can offer you an unbeatable turnaround on company formation and a far broader range than anyone else. Perhaps that's why we've formed more companies than any other company?

For a quick reaction simply call David Hodgson in London on 01-253 3030 or Michael Counsell in Bristol on 0272 32861.

Jordans

We always come up with the answers

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

BUSINESS PREMISES

ARE YOU LOOKING for offices over 500 sq. ft? - Contact the specialists on 01-486 3621.

PROFESSIONAL INSURANCE CONSULTANTS offer first-class ground floor offices in Edgware of approximately 400 sq. ft. With excellent facilities to small/medium-sized accountants. - Aply Box P1 3038.

BUSINESS OPPORTUNITIES

READY MADE German GmbH company for sale. Avoid twelve months delay in forming new GmbH by buying off the shelf. - Details can be obtained from I.T.B.S. Ltd, 1a Dunkirk Lane, Leyland, Preston PR5 3BS.

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

1979/1980 FACSIMILE TAX FORMS NOW AVAILABLE

SHARPTHORNE PRESS
149 Stafford Road, Wallington, Surrey
Tel. 01-647 9510

PERSONAL

DATELINE'S psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

BOX NUMBERS

Replies to advertisements using Box Numbers should be addressed to:

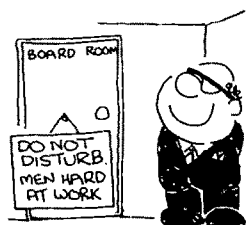
Box.....
Gee & Co (Publishers) Ltd
151 Strand, London
WC2R 1JJ



NOT STRANGERS, SIR. THAT'S OUR TEMP ACCOUNTS TEAM FROM ILPAR....



WELL, THAT SEEMS VERY REASONABLE. WELL DONE, BICKER. DYKE ANOTHER PROBLEM SOLVED THEN!



FOR YOUR TEMPORARY ACCOUNTING PROBLEMS RING 01-353 5624

ILPAR

ILP Accountancy Recruitment Limited
4 New Bridge Street, London EC4V 6AA

ANNUAL RETURN - COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ
Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex: 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas - suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS - An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd - Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol. The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5. Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554

Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

Services Directory

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex. 8813082

Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663

Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892

Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394

Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321

Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES - COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Practitioners can, in association with us, provide management information with ease and profitability to clients. Cash flows, profit forecasts etc.

FINANCIAL PLANNING SERVICES

Alan Smith, Aston & Partners Ltd

94/96 Newhall Street, Birmingham. Tel. 021-236 0891

Managing Director: T. A. Smith, B.Com., F.C.A., F.P.M.I.

Self-administered or Insured Directors Pension Schemes. Tax-efficient investment for income and/or growth.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353. Telex. 264420. Contact Michael Southgate

Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN. Tel. Maidenhead (0628) 37123

On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA. Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336 (Ring, write or call)

Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788

Specialist supply of all types of equipment and consumables to Practitioners. Agencies with all major suppliers, discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE

Branches: 61-63 Beak Street, London W1R 4JA

186 Fleet Street, London EC4

Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE Services. Includes the 'normal' reports and additional schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB. Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.

Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH. Tel. Long Stratton (0508) 30324 and 30488

Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex. 935109 (Open 7 days a week)

Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB. Tel. 01-439 6007. Telex. 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA. Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone: offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Based on our considerable experience, we can advise the Practitioner on how to cut through the morass of new technology to obtain higher profitability and greater efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London EC4N 6AE. Tel. 01-248 4277.

Members of the Stock Exchange, established 1852. Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX. Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skailes, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332. Telex. 667783 and London

Service include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street, Plymouth, 30 Millsom Street, Bath, 16 Southernhay West, Exeter

Valuation and rating surveyors, consultants to caravan and leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new building, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow. Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561 (and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TAX ASSESSMENT - COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Fully automated service to monitor tax payments due, and overdue accumulating interest. Register and paystips prepared fortnightly. Permanent tax schedules prepared

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA. Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU. Tel. 01-836 1840 and 01-836 1923

All languages - all deadlines

accountancy personnel

Agy.

TEMPORARY

**Calling all Managers,
Seniors, Semi-Seniors,
Intermediates
and Juniors**

TEMPORARY JOBS IN ALL AREAS.

**TOP RATES OF PAY ONE WELL
PAID JOB AFTER ANOTHER**

64 George St,
Croydon
01-686 4686

7 MacKenzie St,
Slough
Slough 35939

63 Moorgate,
London EC2
01-628 9015

14 Gt. Castle St,
Oxford Circus, W1
01-580 2612

TAXATION & ACCOUNTANCY RECRUITMENT

CONSULTANTS TO THE PROFESSIONS

Having established a conventional agency we have on our register situations in all parts of the U.K. in the Accountancy and Legal Professions ranging from audit and tax assistants through to partner level with remuneration from £4,000 to £15,000.

However, we have found that in addition to notified vacancies there is little difficulty in 'creating' situations for candidates of ability who are qualified by examination or experience and if required are willing to undertake a course of further study.

Instead of waiting for the right opportunity to turn up we invite you to discuss with us your hopes and ambitions for the future and we will do all we can to find you the career opportunity you are seeking in an area of your choice.

3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates

The Good Job Guide

THE COMPLETE SELF-HELP GUIDE TO CHANGING YOUR JOB

Over 500 pages of practical information and advice, including:

- trends in the job market
- self-assessment
- effective search
- cv and interview techniques
- training opportunities
- legal aspects
- working overseas
- key facts on hundreds of companies
- detailed profiles of major employers
- a guide to recruitment consultants
- professional associations
- employer category/job and location indices

£1.75

available from major booksellers, or from Order Dept A
The New Opportunity Press, Yeoman House,
76 St James's Lane, London N10 3RD. (add 60p p&p)

THE ACCOUNTANT

LATE EXTRA

Or just extra late?

Be on time with the

LATEST news & jobs

Order your own copy!

The
ACCOUNTANT

Group Treatment

By section 21 of the Finance Act 1972, group treatment for VAT purposes is available to companies, whereby all supplies made within the group are disregarded and all other supplies are treated as having been made by or to the representative member. By subsection (3), two or more companies are eligible for group treatment if one controls each of the others. For the purposes of the section, subsection (8) provides that a company shall be taken to control another company 'if it is empowered by statute to control that body's activities or if it is that body's holding company within the meaning of the Companies Act 1948'.

The appellants, the British Airways Board ('the Board') and the Airways Pension Fund Trustees Ltd ('the trust company'), claimed that the trust company was entitled to register as a member of the group of which the Board was the representative member. The Commissioners of Customs and Excise disputed this on the sole ground that the Board did not control the trust company.

The scheme

The Board had been set up by the Civil Aviation Act 1971 which empowered it to control the activities of BOAC and BEA. By a 1973 order made under that Act, the Board acquired the undertakings of both BOAC and BEA, which were then dissolved, in 1974.

The trust company had been established in 1948 to administer the pension scheme of BOAC, BEA and BSAAC ('the scheme'). This was contained in a trust deed authorised by the Civil Aviation Act 1946 and confirmed by 1948 regulations made under that Act. The trust deed was amended by a supplemental deed on the dissolution of BSAAC, and again in 1974 when the Board acquired the undertakings of BOAC and BEA to reflect the change of employer.

The scheme was managed by management trustees, half of whom were appointed by the Board ('the employers' representatives') and the other half by the members of the scheme. The Board

nominated a chairman and a deputy chairman among the employers' representatives, either of whom have a casting vote in a deadlock when chairing meetings of the trustees. Members of the trust company comprised the management trustees, whose directors were the chairman, the deputy chairman and such others of their number as the management trustees appointed. The chairman, or deputy chairman, has a casting vote at general meetings and board meetings; as a result, the employers' representatives, acting in concert on the recommendations of the Board, could pass any resolution which required a simple majority at trustee meetings and general meetings, and any resolution at board meetings.

The issues

Three issues arose from the present appeals. First, did subsection (8) provide an exhaustive definition of 'control' for the purposes of subsection (3)? If this was not the case, did the Board have control sufficient for the purposes of subsection (3) or, alternatively, if the definition was exhaustive, was the Board 'empowered by statute' to control the trust company?

Having satisfied itself that the definition in subsection (8) was co-extensive with subsection (3), the London VAT Tribunal found the definition to be exhaustive because of several factors. In the first place, the expression 'shall be taken to control' indicated that the draftsman intended to circumscribe the circumstances in which control should be taken as arising. Secondly, in the light of subsection (3), it would have been wholly unnecessary to have referred to control by means of a statute unless subsection (8) was intended to be exhaustive. Lastly, the reference to the definition of a holding company in the Companies Act 1948 distorted the ordinary meaning of 'control', extending it in some cases and restricting it in others.

As the Board was not a member of the trust company, it could not be its holding company and so the success of the appeals depended on whether the Board was 'empowered by statute to control'

the trust company. The Tribunal analysed both constituents of this requirement.

The right of the Board to appoint the chairman of the trustee and general meetings with a casting vote was crucial as by this means the Board controlled the trust company. In *Noble v. Commissioners of Inland Revenue* (1925) 12 TC 911, a shareholder with half the voting shares plus a casting vote was held to have a controlling interest, and in this context no distinction should be drawn between the expressions 'controlling interest' and 'control of'. The contention of the Commissioners that the Board was debarred from controlling the trust company because the latter must act only in the interests of the members of the scheme was irrelevant since, provided that the trust company acted within its powers, the directors acted in its interests and the trustees acted in the interests of the beneficiaries, nothing prevented any of them from being controlled by a third party.

Neither the Civil Aviation Act 1941, nor the regulations made thereunder had empowered the Board to control the trust company, since the Board did not exist before 1971. The only statute which might be said to have done this was the Civil Aviation Act 1971 which empowered the Board to control all the activities of BOAC and BEA. However, this power had been determined by the 1973 order.

Delegated legislation

The normal construction should be given to the expression 'empowered by statute', as meaning empowered by a provision in an Act of Parliament, and not by orders or regulations made thereunder since the draftsman was well aware of the distinction between them. As the 1973 order was not a statute, the requirements of section 21 (8) had not been satisfied.

In any event, the control of the trust company by the Board through the appointment of management trustees did not arise from the order, but from the trust deed, as amended by a supplemental deed in 1974 to accord with the merger effected by the order. The Tribunal could not comply with a request by the appellants to look at the substance rather than the form of the

Revenue Report

transaction; control derived from the trust deed, and it was impossible to say 'black was white' and that it had in substance been effected by statute.

In dismissing both appeals, the Tribunal suggested that the anomalies inherent in the treatment of trustees of pension schemes due to their constitution in respect of section 21 should be reviewed in order to achieve greater consistency and fairness.

British Airways Board v. Customs and Excise (LON/79/107, October 5th); *Airways Pension Fund Trustees v. Customs and Excise* (LON/79/108, October 5th).

Limits Revised on 'Official Error'

The Inland Revenue is to drop the 'investment income' test from the present formula which governs the recovery of tax under-assessed in consequence of official error. At the same time, the existing income limits in the formula have been revised and further graduations introduced.

As from November 7th, the Revenue will seek to recover the full amount of such arrears only where the taxpayer's gross income exceeds £10,000. No attempt will be made to recover arrears where the gross income is less than £4,000. Between £4,000 and £6,000, the Revenue will seek to recover one-quarter of the arrears; between £6,000 and £8,000, one-half; and between £8,000 and £10,000 three-quarters. The Revenue will also consider 'the scope for further changes in the basis in the treatment of tax arrears which are attributable to departmental mistake'.

It is emphasised that these limits apply only to the recovery of arrears of tax which have arisen through official error (as set out in a White Paper, Cmnd 4729, of July 1971) and that cases already settled on the basis of previous practice cannot be reopened so as to take advantage of the new limits.

TAXATION OF ARTS COUNCIL AWARDS

There is unfortunately an incomplete sentence in our reproduction ('Revenue Report', *The Accountant*, September 27th) of the recent agreed statement

Taxmen Deny Phone Numbers Purge

Suggestions by the National Federation of Self-Employed that the Inland Revenue is currently engaged in a feasibility study on computerising the whole of the UK telephone directory have been officially denied as without foundation. While such a project might be technically possible, a Revenue spokesman drew attention last week to the enormous number of directories involved, and the drain on Revenue resources that any such project would involve.

Innocent reasons

The theoretical advantage to the Inland Revenue of directory computerisation, according to the NFSE, is that Inspectors of Taxes would be able immediately to identify the source of newspaper small advertisements appearing under telephone numbers only. Such advertisements are suspected of being a significant element in the so-called 'black economy'; though, according to the NFSE, 'many of those who just give their phone numbers in small ads do so for perfectly innocent reasons.'

'Either they are private individuals just selling some household item or personal belonging, or they are perfectly legitimate sole traders already making returns to the Revenue. How, having

ascertained the relevant names and addresses, are the Revenue going to sift out this majority of innocents from a minority of moonlighting employees before instigating a full inquiry?

Excuses

'We must fight draconian developments such as this with all our strength. Politicians, trade unionists and Revenue officials keep making guestimates on matters such as possible tax loss, and then use these as excuses to introduce measures which seriously affect the liberty of the individual.'

Suggestions that Inspectors of Taxes have telephoned individual numbers posing as potential customers, or in some districts have even set staff to work laboriously through the whole telephone directory, are discounted at Somerset House. Revenue officials must, of course, have adequate powers and a reasonable discretion in pursuit of the illicit evasion of tax, for which purpose individual numbers may have been followed up from time to time; but to attempt anything of the sort on a regular or systematic basis is not seen as a particularly effective use of the Revenue's staff resources, which are already seriously extended in other directions.

WE NEVER REALISED --

The office of the Inspector of Foreign Dividends has drawn our attention to an unfortunate typographical error on page 633 of our November 1st issue. The second sentence on this page should read: 'The Revenue have further indicated that *unrealised* – not 'realised' – gains on currency realignments are not regarded as available for distribution . . . (etc)'.

The position is correctly set out in paragraph (a) further down the same page, and in the CCAB guidance note, reference TR 362.

between the Arts Council and the Inland Revenue. In connection with projects covered by both A10 and B10 category awards, the position is that 'if the expenditure incurred by the individual in connection with the matters covered by the A10 grant and the B10 award exceeds the amount of the A10 grant, the excess up to and including the amount of the B10 award *will be regarded as covered by the B10 award*, and to this extent will not be allowable as a deduction in arriving at his taxable profits'.

The words in italics were omitted from the original reproduction, and we apologise for any misunderstanding which this may have caused.

Proposed New Employment Laws

The Secretary of State for Employment has published proposals for making important changes in the laws relating to employment. The following summary outlines what is in prospect but a process of consultation and legislation will be necessary before the new regulations come into effect.

Unfair dismissal

It is intended that the employer would no longer have to prove that he acted 'reasonably' as well as 'fairly' in carrying out a dismissal. Once the employer shows that a dismissal is fair, on such grounds as, eg, misconduct, sickness, redundancy or bad workmanship, he will no longer have to bear the onus of proof in showing that he acted reasonably in dismissing an employee instead of, say, issuing a reprimand.

New firms with less than 20 employees would be exempt from unfair dismissal regulations in the first two years of trading; and industrial tribunals would have to take into account the circumstances of a firm (eg, its resources and size) when considering whether or not a dismissal had been 'reasonably' carried out.

In short-term contracts for two years or more, an employer and employee can at present agree that the employee will not claim for unfair dismissal when the period comes to an end (the only case where employees can opt out of their rights). It is proposed to extend this rule to contracts of one year or more.

Tribunal procedures

Industrial tribunals would be empowered to award costs more frequently in cases where either party brings or conducts a case unreasonably. To save lengthy hearings, tribunals would be able to advise a party of this informally and warn that the party runs the risk of having costs awarded against him if a case is pursued.

Tribunals would also be able to conduct cases much more informally

than at present to save expense and lengthy legal argument.

Maternity provisions

Under the 'right of return' provisions, the employee would have to give longer notifications than at present of her intention to return — one within six weeks after confinement and another one month before the actual date of return. For firms of under 20 employees, an employer would have the opportunity of showing that it is not reasonably practicable to take the employee back or offer suitable alternative employment.

Changing Employees' Conditions

On occasions, it may in the opinion of an employer, be necessary to change an employee's working conditions. For example, he may wish an employee to work extra hours per day or on a different shift system, or may require the employee to take his holidays within a set period or to change lunch-hour arrangements.

How does the employer stand if the employee refuses? Supposing, as a result, he dismisses the employee; or the employee says that he will not accept the new conditions and resigns? Will the employee be able to claim heavy compensation in these cases for unfair dismissal?

The answer is not easy, and each case will depend on particular facts. However, as a result of legal decisions already made, it is possible to lay down some general guidelines:

(1) The first question to ask is whether the changes are allowed by the employee's existing terms of employment. If, for example, his hours are stated to be from 9 until 5 'or such hours as the employer may from time to time deem to be appropriate' then a change can be made unilaterally by the employer. If, however, there is no such saving clause, then the following considerations apply.

- (2) Has an explanation been given to the employee of the reasons for the change, and is the change reasonable in all the circumstances? For example, if the change is necessary for the efficient running of the business, a tribunal would hold that it is not unfair to dismiss an employee who will not agree to the change (see, for example, *Johnson v. Nottinghamshire Police*, [1974] 1 All ER 1082; *The Accountant*, July 25th, 1974, page 132). On the other hand, if the change is merely at the whim of the employer and he then dismisses an employee who refuses to conform, this would be unfair dismissal. These are extremes, and it is admitted that there are cases that lie between these extremes that give the greatest difficulty.
- (3) Has the employer given good warning of the changes so that they can be properly discussed and considered? Unless the contract so provides, it is unreasonable, for example, for the employer to come to an employee on a Friday and say, 'From tomorrow, I expect you to attend every Saturday morning'.
- (4) Has sufficient allowance been made, if it is at all possible, for the individual personal circumstances of an employee? A tribunal might well ask whether it was possible or not to exempt a particular employee from the changes for good personal reasons.

The above represent the tests that a tribunal will apply should a case of dismissal come before it from an employee who has been dismissed for refusing to carry on under the changed conditions. Employers should tread very carefully before imposing more than the most minimal changes in their employees' terms and conditions of employment.

Compensation for Unfair Dismissal

Up to September 30th, 1979, an employee has to have had 26 weeks' continuous service with an employer before he can claim compensation for unfair dismissal. For all terminations of employment that take place after

Current Law

October 1st, the qualifying period for the employee has been raised to 52 weeks. This means that the new employee who is dismissed, say, after six months, if his service proves unsatisfactory will be unable to carry through a claim for compensation. He must now complete a year's service before he can have his claim heard in full by a tribunal.

One of the practical effects of this might affect arrangements for trial periods or training periods for some employees. Some businesses have deliberately kept these short, since if they run about five months or so, the employees are brought into the area where cases for unfair dismissal can be brought against the employer. The new regulation permits, in appropriate cases, longer trainee and trial periods without the possibility of long-drawn-out proceedings before a tribunal.

Employment of Young Persons

The employing of young people – especially those still at school – can be full of pitfalls, and it is possible for the employer even to face a prosecution in the magistrates' court. The first point to stress is that children under the age of 13 should not be employed at all, with the one isolated exception of children who are allowed to help their parents at light agricultural or horticultural work during harvest time.

If a child is employed between the age of 13 and school-leaving age, certain rules apply: no employment whatsoever during school hours; no employment during the week on school days for more than two hours per day; no employment before seven o'clock in the morning or after seven o'clock in the evening; no jobs that involve carrying or lifting heavy weights, or likely to involve contact with dangerous or moving machinery; and no employment on a Sunday for more than two hours. These are national rules, and local authorities may bring in their own additional regulations.

If a local authority feels, on the basis of a head teacher's report, that the child's health or education is suffering as a result of doing a part-time job, it can issue an order to this effect. Any employer who knowingly acts in breach of such an order risks prosecution.

Reservation of Title

Attempts to apply the *Romalpa* decision to the circumstances of resin incorporated into the manufacture of chipboard have been overturned by the Court of Appeal, which has reversed the earlier decision in *Borden (UK) Ltd v. Scottish Timber Products* (*The Accountant*, January 11th, 1979).

The concept of any beneficial ownership remaining in one party, the Court held, could not be reconciled with the liberty given to the other to use the resin in producing their own chipboard. Once the resin was used in the manufacturing process, its identity as resin disappeared, and the contract for purchase of the resin conferred no rights over the chipboard. A mixture of heterogeneous goods whose components lost their original character in making a completely new product was not contemplated by the equitable doctrine of tracing; and, had the plaintiff company in the present case had any claim upon

either the chipboard or the proceeds of its sale, this would have been void for non-registration under section 95 of the Companies Act 1948.

Borden (UK) Ltd v. Scottish Timber Products (123 Sol J 688).

Consultation on Redundancy

Until recently, an employer who was dismissing between 10 to 99 employees must consult with the appropriate recognised union at least 60 days before the first dismissal takes effect. If the employer failed to do so, then, in addition to redundancy payments, the workers concerned can be awarded up to 60 days' pay.

These periods have, from November 1st, been reduced to 30 days; in other words, the employer must consult at least 30 days before the first dismissals take effect. If he fails to do so, the maximum extra award that can be made is 30 days' pay per worker.

Creditors and Contributories

A creditor of a company for a debt which exceeded £300,000 presented a petition to the court for the winding-up of the company. At the date of presentation of the petition the company was, for the purposes of sections 222 (e) and 223 (d) of the Companies Act 1948, unable to pay its debts. A contributory of the company opposed the petition while another contributory supported it. Both were also directors of the company.

The opposing contributory alleged that the company's inability to pay its debts was due substantially to the fault of the supporting contributory and that if the company was allowed to continue operating it could rapidly become solvent again. Accordingly, the opposing contributory applied for an adjournment of the petition. The petitioning creditor opposed an adjournment and sought an immediate winding-up order.

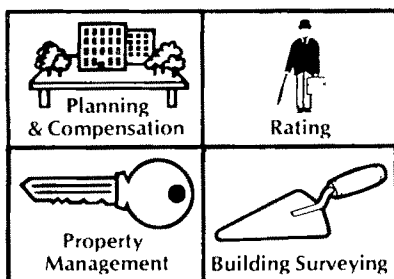
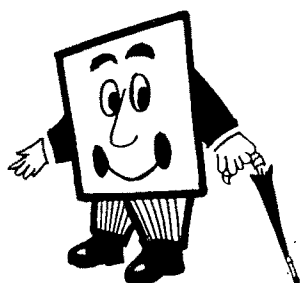
In the Chancery Division, Slade J held that, where a winding-up petition was presented by a creditor who proved that he was unpaid and that the company was unable to pay its debts, he was *prima facie* entitled to a winding-up order even

though the petition was opposed by a contributory of the company. The Court had a discretion under sections 225 (1) and 346 (1) of the 1948 Act to consider the wishes of a contributory, but ordinarily it would attach little weight to those wishes in comparison with the wishes of an unpaid creditor.

A creditor was entitled to assume, in the absence of notice to the contrary, that a company's affairs were being run in such a way that its debts would be promptly discharged, and internal disputes between directors or contributories of the company were no concern of his. Although, therefore, the court had jurisdiction to adjourn a creditor's winding-up petition at the request of a contributory, it would do so only if it was satisfied that there were exceptional circumstances. On the present facts, any injustice caused to the opposing contributory by making an immediate winding-up order would be far outweighed by the injustice that an adjournment would cause to the creditor.

Re Camburn Petroleum Products Ltd ([1979] 3 All ER 297).

Mr Square Footage and some of his Professional Services

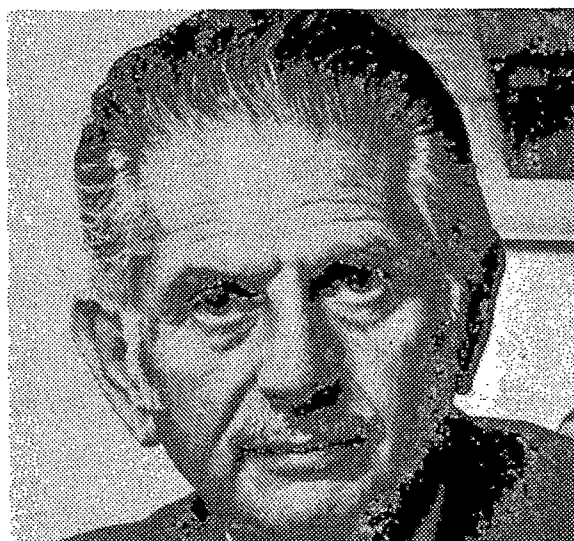


It's all part of the Knight Frank & Rutley service



Knight Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384



Sir Monty Finniston

"I look for effective action . . ."

"I look for effective action from any organisation. That is why I admire Help the Aged, for it gets on with the job, the vital job of helping old people in real need in a thoroughly practical yet friendly way. And with the minimum red tape and the maximum mobilisation of voluntary effort – which is why it achieves such a great deal with the money it is given."

Time is not on the side of old people. Help the Aged is – with the devoted help of volunteers who make each donation achieve "small miracles" for old people in need.

Day Centres to help the lonely – £12 provides vital equipment, £250 inscribes a loved name on the Dedication Plaque of a centre it helps. With geriatric treatment centres – £30 is a big help. With food for those near starvation abroad – £5 sends 25 good meals.

Get some action going for someone old – Please use FREEPOST facility and address your gift to: Hon. Treasurer, the Rt. Hon. Lord Maybray-King, Help the Aged, Room TA8L, FREEPOST 30, London W1E 7JZ (no stamp needed).

** Please let us know if you would like your gift used for a particular purpose.*

Have you ever wished you had a deeper understanding of the last 11 months or so?

If you feel that the news, for nearly a year now, has been brought to you in a slightly less comprehensive fashion than you have been accustomed to, don't despair.

The Times is back.

And with it comes all that ordered, calm and unbiased reporting which maintains its reputation as the newspaper of record.

Back are the leaders, full of sage comment that keeps world events and alarms in perspective.

Back are our ever-controversial columnists, including the irrepressible Bernard Levin, to challenge and stimulate you.

Compulsive letter-writers can rejoice at the return of the Letters Page.

Crossword addicts can breathe again.

And life is back to normal for all followers of the Arts, Sports fanatics and devotees of the Court Circular.

The Times is back. In every respect.



THE TIMES

Back, to keep you better informed.

Alping the Fashion

Prospects, the business news survey of the Swiss Bank Corporation, is the unlikely source of comment on fashion and its economic consequences. 'Fashion – Part Economics, Part Caprice' is the theme of the comment which is made with a wit not usually associated with the earnest Swiss.

There is no mathematical formula for creating fashion nor any way of analysing it objectively and that gives it a risky image as the mainspring of an industry. The writer Jole Fontana, comments that one reason why fashion never evolves in a straightforward, predictable way is that it is heavily influenced by two factors of a radically different nature. One is the human element, the attitude of people towards fashion, and the other is the requirements of the fashion industry.

Expression of personality

Consciously or subconsciously, deliberately or spontaneously, clothing is an expression of personality, but need for expression is not enough of a basis for an industry to work on. For one thing it cannot be tangibly defined and secondly it is continuously changing. Market, production and distribution are subject to laws of their own. Adapting psychologically motivated trends to market and industry realities – translating potential fashion into real supply – is a calculated process. As such it represents the rational side of the business.

The industry does 'steer' fashion deliberately in order to generate sales and demand is stimulated before it can be satisfied. So the trade has to try to nudge demand in a given direction.

But if it were easy to influence the consumer, fashion would be a comparatively risk-free business. And that it certainly is not.

In recent years, fashion's explosion into aggression in the so-called 'punk' style, designed to shock, has made wider impact on fashion – quite apart from putting solid gold razor blades into high

class jewellers to be sold as fashionable trinkets.

But that explosive style is by its definition, short lived and is invariably followed by an elegant look with a retrospective flavour. The return of the 1940s and 1950s styles is typically 'retro', a cryptic form of linking fashion with the spirit of the age, symbolic of a yearning, a sort of flight from reality, a desire to turn back the clock to the good old days when the world was perhaps a better place to live in.

What is to follow this throw back to the past is something that the fashion trade is presently trying to discover. The writer suggests that the next style to come along may well have neither a militant nor a nostalgic flavour. Instead it may be thoroughly in step with modern life in the 80s. Although precisely what that may be is apparently beyond immediate comprehension.

That look at fashion is followed in *Prospect* by 'Keeping the Swiss Garment Industry Alive' which opens by admitting that the Swiss clothing industry's prospects for survival, according to many observers, both competent and otherwise, are not very encouraging at all. In fact if the pessimists are right, sooner or later Switzerland will be forced to abandon its efficient garment industry.

But the Swiss have no monopoly in that. The story is the same with its neighbours and 'indeed in virtually all the industrial nations'. The Swiss garment industry is still relatively strong but between 1971 and 1978 the number of people employed in it dropped from 47,500 to 31,100. Some 80 per cent of the garment workers are women.

The industry is efficient but every second garment bought in Switzerland is imported. Germany, France, Italy, Austria and Hong Kong are the leading suppliers, with South Korea, Taiwan and Singapore coming up quickly to help account for a 15 per cent Asian content in total Swiss garment imports. Exports are about 30 per cent of imports.

The Swiss garment industry story is little different from the British story of increased technical and mechanical efficiency being insufficient to give the industry a competitive edge over imported down-market products and thereby forcing the industry into up-market competition.

It is admitted that 'as time goes on, the liberalisation of world trade in clothing looks more and more like a lost cause. It is worth looking at that comment in the depth that it is treated in *Prospects*. It is acknowledged that the state trading countries are not the only ones to blame for a situation that has also been brought about by those traders who concentrate their exports exclusively on garments (Hong Kong, South Korea, Singapore and Macao) and produce those exports in quantities that can result in serious market disturbances in individual production sectors.

Guilty parties

The developing countries are also considered to be among the guilty parties which make garment imports totally impossible or extremely difficult through import embargoes, low import quotas, prohibitive duties and administrative protectionism. And finally there are the EEC and EFTA countries and other industrialised nations which set import quotas on goods from the low-wage countries on the so-called long-term agreement (on international trade in textiles). These import quotas, it is considered, amount to import restrictions.

Switzerland has not yet resorted to volume ceilings and can 'fairly claim' to be the only real free trader. But where does that get the Swiss garment industry? Not particularly far, apparently. The prospect of state trading country barter – Swiss machinery for Chinese clothing for example – hardly fills the Swiss garment industry with confidence.

Many Swiss clothing factories 'hope to survive the period of restructuring and emerge the stronger for it' but 'quite a few firms unable to take advantage of the market on their doorstep will go to the wall'.

In the past few years the Swiss clothing industry has had a rough time and is hardly out of the woods yet. The persistent firmness of the Swiss franc has had a lot to do with it in terms of

both foreign and domestic business. The ensuing price war squeezed earnings to almost vanishing point.

But Swiss firms which have managed to hold their work forces together take a cautiously confident view. Some of the quoted 'advantages' of 'a stable social and political system, low inflation rates, relatively favourable fiscal and capital market conditions, a high level of garment manufacturing technology, qualified personnel, modern infrastructure, a good record in meeting delivery dates, prompt resupply possibilities, quick reaction to regional and even worldwide market opportunities' could well be the envy of British clothing manufacturers.

Individual Pensions

Insurance brokers, Richards, Longstaff Ltd, have introduced the idea of 'self-administered' pensions for individual executives. While they anticipated that some of their new pension plans will be arranged by controlling directors, or by boards of directors, they expect that the idea will become popular with senior executives who, when moving from one company to another, will keep their pension contract in force, with contributions thereafter being made by the new employer.

The idea behind the scheme is that, subject to the trustees' agreement, each individual can appoint his own investment manager — quite probably his stockbroker. In this way, an individual can build up a tax-free fund for retirement, using his own expertise, or that of his stockbroker, with contributions being made by the employer (perhaps in addition to a general pension scheme), and with the executive himself, perhaps, making some contributions, and receiving full tax relief in respect of them.

Richards, Longstaff is not making any initial charge for entry into the plan, and it is aiming to keep administrative charges low. It is claiming that the costs associated with this type of scheme are about one-third of the costs included in an insured pension scheme.

Life cover is being provided by The Equitable Life Assurance Society, and the aim, throughout, is to provide flexibility, so that contracts can be tailor-made to meet the needs of individuals.

An Oil Economy

It is presently intriguing and also disturbing to note the change of tone of the rolling economic forecasts and the deep deterioration of it. From the midsummer forecast of a shallow recession in 1980, involving steeply falling interest rates in the last quarter of this year, the tone has changed not only to anticipation of rising interest rates well into 1980, but also of a recession running, not shallowly but deeply, into 1980-81.

While forecasts of recession harden, there are no firm forecasts of any accompanying reduction in inflation rates, largely because of the false monetary situation induced by progressive increases in OPEC oil prices. If, as is entirely possible, and even highly likely, the average oil price reaches \$25 a barrel early next year the average price will have doubled in two years.

On that basis Morgan Guaranty Trust Company's latest review of world financial markets considers that the 1980 surplus before official transfers could approach \$70 billion, compared with \$55 billion this year and only \$7 billion in 1978. Oil price rises to \$30 a barrel could push the OPEC surplus to nearly \$80 billion next year.

Higher inflation, slower growth

Morgan Guaranty consider that the implications of such 'not entirely inconceivable events for the oil importing countries would be even higher rates of inflation and slower rates of economic growth than currently projected and a further sharp deterioration of their combined current account deficit.'

For the industrial countries the absence of a slackening in the rate of annual oil price increases will mean little or no reduction in the oil-price component of their inflation, making it more difficult to bring about a decline in the overall rate of inflation. Furthermore the rate of economic growth, now forecast at about 1 per cent for 1980, in industrialised countries 'may dwindle to zero or become negative.'

Such a bleak economic outlook, it is

considered, could tilt the present anti-inflationary stance of economic policy towards, maintaining economic growth and preventing a steep rise in unemployment. For developing countries the movement of oil prices into the upper end of the \$25-30 a barrel bracket would be even more serious.

Ordinarily, recession would be expected to restore order to the oil market but current experience suggests that supply and demand, whatever it may do in the ultimate, is not a true factor immediately. Morgan Guaranty guardedly comment that 'while the current situation does not seem to be hopeless, there is a real danger that if the present leapfrogging continues unchecked, a new and potentially much more serious oil crisis may develop.'

Necessary initiatives

New international initiatives are therefore necessary to ensure that real oil price rises take place in an orderly fashion. Morgan Guaranty puts stronger measures to reduce oil demand as the first priority, followed by moves to reduce the influence of the spot market and also to reduce expectations of future oil supply interruption.

Co-ordinated efforts, by oil importing and oil exporting governments to explore ways to help maintain reasonable oil production levels are needed, as well as a system for increased IMF lending to developing countries.

Meanwhile the prospect of much larger OPEC surpluses makes all the more urgent the question for mechanisms to ensure that the investment of those surpluses is channelled in orderly fashion without unnecessary disruption of exchange markets.

OPEC official foreign exchange holdings are currently put at some \$150 billion, but the figure could approach \$230 billion by the end of next year. The management of such funds has serious implications for exchange market stability because of the magnitudes involved and the effects of actual and

Financial Accountant

rumoured official portfolio diversification on private market participants.

Morgan Guaranty comment that 'Reliance on moral suasion and attempted prohibitions are an inadequate response to an urgent problem.' Moral suasion, it must be admitted, will not cut a lot of ice with the current Iranian administration for example.

But the soaking up of surplus funds by bond offerage based on a return to some kind of reserve currency system may be considered possible. All kinds of ploys may be considered for surplus fund soaking purposes, but they all call for a far greater non-OPEC currency collaboration than presently appears possible.

Debate continues

So the argument builds up for an enlargement of the IMF's role as a currency clearing house. The debate, as they say, continues but it is a debate without a final vote and a debate without action on that vote.

The prospect of oil importing countries running into deep recession while, at the same time, unable to reduce monetary inflation because of the overpowering of currency markets by the funds of the oil exporters is real. It is certainly a prospect that exercises the

mind of those presently looking at the UK economic trend.

The complete demolition of foreign exchange controls may well have been a bold dash for freedom and it may well save £14.5 million in Government costs but it leaves the Government with a considerably depleted armoury of economic and monetary control weapons.

It is easy to say, as some do, that the sacking of the armoury means that the Government has now no option other than to tackle inflation at its very roots but how do people and how does the Government live in the meantime.

And if, for example, only interest rates are left how high do interest rates go? Do interest rates in the UK have to match those in the US even though the US is an oil importer and the UK probably in the 1980s an oil exporter.

Eventually the law of supply and demand will make its true impact on the world oil situation. But true impact cannot be gauged in the foreseeable future unless there is a complete change of OPEC attitude and more particularly Middle Eastern OPEC attitude.

Since there seems little likelihood immediately of such a change the western manufacturing economies continue to be faced with the dread combination of industrial recession and currency inflation.

gradual reduction in its role in the international monetary system.'

Radical innovations of the Amendment, including the sale of IMF gold holdings and the abolition of an official price, have so increased the value of gold that its power has risen. The onset of dangerously high rates of inflation has heightened the 'refuge' value of gold as a store of value. A US Treasury study has concluded that, if the price of gold keeps in step with inflation, industrial demand for gold for all fabrication purposes (including official coins such as the Krugerrand which are demanded for investment purposes) will rise by approximately 1.5 times the average increase in real gross national product. By 1987, the industrial use of gold could be 70 million ounces, or double the present level.

Imposer of discipline

Having compared the power and performance of gold against the shortcomings of the IMF role as the imposer of discipline on the exchange rate policy of its members, the authors admit that in so far as the word 'system' implies a well-defined set of rights and obligations it could be argued that the 1980s are being entered without an international financial system at all. Countries are largely free to do as they please not only to their exchange rates but also with respect to the volume and composition of their reserves and methods to effect payments adjustment.

On that assumption momentum could build up in the 1980s for a Third Amendment or at least significant revisions of the role of gold and the IMF. Some compromise position between a return to a pure gold standard and free floating rates seems the most likely prospect, particularly if a failure of the Second Amendment generates sufficient support to strengthen the IMF.

Shift of role

To avoid rampant protectionism and spiralling depression the emphasis in the IMF role could shift from surveillance to jurisdictional authority over members. Failure to harmonise domestic economic policies has been a major cause of instability in the 1970s and a repetition of that situation in the 1980s could bring into existence the ministerial-level

Going for Gold

The role of gold and the IMF in the 1980s may be to play a positive part in convincing the world community of its economic interdependence. That is the hope rather than the confident prediction of Messrs Leo Katzen and Anthony Jennings of the Department of Economics, University of Leicester, writing in *Optima*, the journal published by the Anglo-American Corporation, De Beers and Charter Consolidated groups.

Pressures of the 1960s led to the August 1971 US Presidential announcement that the monetary authorities of the United States no longer undertook to convert foreign official holdings of US dollars into gold. And during this decade attempts to restore the 'legality' or

power of enforcement of the IMF and to come to terms with the role of gold in official transactions, through a revision of the Fund's Articles of Agreement, led finally to the 1978 Second Amendment.

The Amendment's aim, like the Bretton Woods objective, was originally to attempt to decrease the contribution of gold in official transactions but, paradoxically, the Amendment may have the opposite effect. The authors note the comment of Mr Joseph Gold, the general counsel and director of the IMF's legal department: 'There may be fewer ambiguities in the provisions dealing with gold in the Second Amendment, but the future of gold is unclear, notwithstanding the agreed objective of the

Financial Accountant

Council, provided for in the Second Amendment, with authority to apply pressure upon recalcitrant members.

Such a scenario, the authors admit, seems unrealistic even from the point of view of what occurred in the turbulent 1970s, but a greater degree of sacrifice by members of their national sovereignty may be accepted as part of the price to prevent a drift to protectionism.

Politically unfeasible

The conclusion is that 'Irrespective of any change in the role of the IMF, gold demonetisation is unlikely to be politically feasible. The reality is that gold, now being valued at its free market price, is likely to play an increasingly important role as a supplement to other sources of international liquidity in the 1980s with, or without, further emendments.'

Continued pressure on the US balance

of payments in the 1980s could lead to a substitution of special drawing rights for old dollar balances, but SDRs as the only reserve asset of the 1980s is an unlikely prospect. The evolution of international monetary relations in the 1980s 'will continue to face its traditional dilemma, namely the need for countries to co-operate to achieve the common interest of increasing international trade and maximising economic welfare, but to do so in a competitive environment where conflict rather than harmony prevails, as each country tries to maximise its share of export growth, political prestige and decision-making authority'.

Against that assumption the authors conclude: 'At best we may hope that the 1980s will provide more time to realise the interdependence of the world community and that gold and the IMF may play a positive role in coming to terms with that reality.'

which increases the value of goods can decrease the value of securities.

In is opening 'Letter to the reader' Mr Duthy comments that rocketing values in many sectors have drawn into the alternative market a new circle of investors whose knowledge has often been slight. But there has been no shortage of unscrupulous dealers prepared to sell the 'investment material' at inflated prices.

He assures the reader that contributors to his Report are leading authorities on their subjects and will be writing with complete objectivity and not providing 'dealers talk'. Readers will be directed towards the areas that have shown stable growth and towards sectors where there is a high degree of liquidity where the switch into cash can be made at short notice.

The reader will get guidance on which objects, age, condition and authenticity are most easily established and will get to know where margins between dealers' buying and selling prices are reasonable and acceptable.

The surge in the price of gold has naturally given the Report a presently popular starting point with commentary on the way that, as world supply falls behind demand, Arab gamblers have begun to rock the bullion market boat. Silver and Platinum are considered to look the safer bet as gold loses short term appeal.

Stamps, one of the most impressive

Alternative Investment

As a new steep slide in share values proves once again that equities are for dealing in rather than holding 'The Alternative Investment' takes a stronger hold on the money as well as the imagination of investors. So a welcome should be assured for the publication of a new monthly investment commentary *The Alternative Investment Report*.

Its managing editor Mr Robin Duthy has established a considerable reputation for analysing investments that have out-

performed the stock market – paintings, silver, furniture, stamps and coins, diamonds, gold and many others. In fact it is difficult to think of anything in the world of collectables or of precious metals that has not out performed the stock market.

Mr Duthy's book *Alternative Investment* published last year was well received and *The Alternative Investment Report* available on subscription only springs from the book and from the considerable growth of interest and investment in the 'alternative' field. And there is no doubt that the field is wide.

Neither is there any doubt that the pitfalls can also be wide. Knowledge and advice are as necessary in alternative investment spheres as they are in the originally accepted sphere of the stock market.

Unscrupulous dealers

The basis of the growth of alternative investment is that under conditions of inflation almost anything becomes more valuable except money. Stocks and shares are too close to being money for the comfort of the investor. Inflation



Among these Fine Wines, the bottle of Chateau d'Yquem 1928 on the left was sold in 1968 for £155 per case and again in 1979 for £100 per bottle. A gain of 674 per cent in 11 years.

Picture: Courtesy Christies.



This Ludwigsburg Group was first sold at Christies in July 1964 for 170 guineas and sold again there in June 1979 for £1,600. Percentage gain: 796.

Picture: Courtesy Christies.

Qualifications? Let the experts help you to success

The School of Accountancy have been specialising in preparing candidates for examinations for 65 years. You can benefit from this wealth of experience – either to make sure of success in ACA Exams if you are a student – or to add a second string to your bow if you have already qualified.

ACA Examinations

We are in a unique position to give you the best help available. You will enter your examinations completely prepared and confident of adding to the 30,000 Chartered Accountants that SOA has helped to success.

Institute of Accounting Staff Examinations

We have courses available now for this important new qualification – sponsored by the Association of Certified Accountants for junior and technician staff in offices of practising accountants, commerce, industry or government.

Further Qualifications

A second qualification to add to your ACA will give you even better career prospects. SOA offers highly successful courses for all leading examinations, including ACMA, ACCA, etc.

An ATII will be of great benefit if your special interest is taxation – but the examination of the Institute of Taxation sets a demanding standard. SOA students consistently score success thanks to the clear, comprehensive and up-to-date course material.

Your SOA Course

Whichever course suits your objectives, you will receive personal tuition from experts – backed by concise material which is clearly presented and easy to assimilate. You will be able to study at home – at whatever time and pace suits you best. And you will be on your way to success – like thousands of other SOA students!

POST THE COUPON TODAY FOR FULL DETAILS



**The School of Accountancy
& Business Studies EST. 1910**

The School of Accountancy & Business Studies,
Dept N754 or Dept N754
Intertext House, Intertext House,
Stewarts Road, 341 Argyle Street,
London SW8 4UJ. Glasgow G2 8LW.
Tel. 01-622 9911. Tel. 041-221 2926
or Dept N754 Fox House 37 College Green Dublin Tel 712454
Please send me full details, without obligation, about your courses for:

Name

Address

*Accredited by the Council for the Accreditation of Correspondence Colleges.
Member of the Association of British Correspondence Colleges.*

ASSOCIATION OF COST & EXECUTIVE ACCOUNTANTS

Examinations are held in June and December
Exemption is granted on a subject-for-subject basis

F.C.E.A. (FELLOW)

A.C.E.A. (ASSOCIATE)

*Members can designate themselves as
'Incorporated Executive Accountant'*

For full details of membership and

T.C.A. (Technician in Costing & Accounting)

Dip. E.F. (Diploma in Executive Finance for non accountants)

C.M.A. (Certificate in Management Accountancy)

Dip. E.M.A. (Diploma in Executive & Management Accountancy)

Write, giving age, qualifications and experience to:

Sushil K. Das Gupta, B.Com, LL.B, ACIS, AMBIM, FCEA, APMI

The Secretary-General

The Association of Cost & Executive Accountants

330 Holloway Road London N7 6NJ

Telegraphic Address: TACEA London N7. Telex: 23411. Telephone: 01-609 4195

Accounting for Inflation

This book has been written to meet the need for a short, reasonably priced study book to cover the examination requirements on accounting for inflation and price level changes.

The author, E. R. Farmer, MSc, FCCA, AMBIM, deals simply and lucidly with the post-war developments in inflation accounting, the limitations of historic cost accounting and possible solutions to the problem, and compares the use of historic cost accounting, current purchasing power accounting (CPP) and current cost accounting (CCA). The concepts of CPP and CCA are described and illustrated, and the Hyde Guidelines are set out with examples.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2 R1JJ.**

Please send copy/copies of
Accounting for Inflation and Price Level Changes
at £2.00 plus 30p postage (airmail £1.25).

Remittance enclosed £.

Name

Address

A.

Money for Private Company Shareholders

Charterhouse Development buys minority shareholdings in private companies.

For over 40 years we have been helping shareholders who wish to raise some money by selling a minority interest in their company.

We act quickly

- in our initial assessment of the business and its value.
- in outlining proposals which let you and your client know where you stand.

If you would like to know more about us, telephone 01-248 3999 and ask for John Bowman, Director.

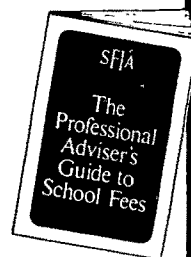


CHARTERHOUSE

Charterhouse Development Limited,
1 Paternoster Row, St. Pauls,
London EC4M 7DH

A member of The Charterhouse Group

school fees –



the complete service

The circumstances of parents seeking independent schooling for their children vary enormously.

Common to them all, however, is the need to provide the money in the cheapest and most tax efficient way, with the minimum of strain on the family.

As a financial adviser, you could well be helping parents, grandparents, friends-of-the-family, company employees, foreign nationals or expatriates with external accounts to find funds for a child's education. We offer a complete, relevant service.

We can provide schemes for payment with capital, payment from invoice or a blend of both. None relies on exploiting some perhaps temporary loophole in tax law. We believe that, short of some radical changes in taxation systems, all our schemes will hold good.

Our popular booklet, *The Professional Adviser's Guide to School Fees*, will give you all the help you need. May we post you one or more free copies?

School Fees Insurance Agency Ltd

A member of the British Insurance Brokers' Association

10 Queen Street, Maidenhead SL6 1JA
Tel. (0628) 34291

Financial Accountant

growth 'collectables' on the market, are featured with the opening comment that 'the philatelic world has been badly shaken by the growing invasion of investors.' In two 'Art' reports there are commentaries on the revival in English Prints and the lessons to be learnt from the last boom in nineteenth-century paintings.

On the subject of Books it is considered that a poor start to the season heralds low prices and a buyer's market, while in Ceramics the manner in which German buyers are forcing up Meissen prices leads to a commentary on alternative markets.

Other articles range from the way in which a new generation of violins is creeping up towards the Stradivarius class to the manner in which Arab coins have taken the place of Beirut counterfeits in the coin market. In wine if Claret prices are rising again can

Burgundy be far behind and in carpet investors are advised not to be deceived by misleading dealers terms. Diamonds are on the move again and the rise in the silver price will soon pull antique prices up.

The Alternative Investment Report has the immediate attribute of objectivity. It does not 'sell'. It informs and in doing so advises.

Mr Duthy believes the strength of the Report lies in its editorial policy which guarantees the authority and complete objectivity of the views expressed. The Report's 24 contributors are in constant touch with their markets and their opinions and analysis Mr Duthy insists 'are impartial and objective unlike the advice frequently offered by dealers and as such will be of the greatest value to investors'.

The Alternative Investment Report looks the most comprehensive review of these markets available.

ing society loans is currently running at probably near £1,100 million a month. Calculating the receipts needed to finance this level is difficult because there is no certainty about any estimate of repayments of principal that would correspond to such a level of advances, but £450 million a month is considered as good an estimate as any.

Increase in balance

So the amount to be financed by increase in savings balances would be £650 million a month. That in turn would require, with an unchanged liquidity ratio, an increase in savings balances of £790 million a month. Interest credited is currently running at about £212 million a month and therefore the net receipts requirement would be in excess of £550 million a month.

So for societies to come near to meeting mortgage demand, let alone clearing the substantial backlog, net receipts of over £550 million a month are required. But the trend level of net receipts probably remains at no more than £350 million a month, but figures have been distorted by the successful offer of Five Year Term Shares.

Certainly the BSA considers that net receipts of over £500 million a month are 'not attainable on a constant basis given societies' present competitiveness and it will require a fairly substantial reduction in competing interest rates before societies are able to attract funds necessary to meet mortgage demand.'

Reduction in inflation

It also needs a fairly substantial reduction in the rate of inflation which is a considerable factor in the steeply rising trend of house prices. Another vital factor is the housing supply of new houses. The House Builders' Federation has reported that builders detect little or no change in the factor affecting the supply of new houses. Land availability remains the key constraint with 83 per cent of respondents to the Federation's State of Trade Enquiry reporting land shortage as a major impediment and 8 per cent a minor impediment. Difficulties over obtaining planning permission also remain an important supply side restraint.

Up to the Hilt

This year the building societies will lend a record £8,880 million according to the latest Building Societies Association forecast. That will be £146 million more than in 1978 but because of the rise in house prices the societies are likely to make only 711,000 loans this year compared with 802,000 in 1978.

The latest BSA Bulletin comments that 'one major feature of the behaviour of the housing market over the past 18 months has been that purchasers have been finding an ever increasing share of ever rising purchase prices, either from their own resources or from institutions other than building societies. Average house prices rose by 45.2 per cent between April 1978 and August 1979 whereas the average advance increased by only 19.8 per cent. As a consequence the average percentage advance declined from 67.0 per cent to 55.3 per cent.

The bulletin admits that 'Currently, building societies are a very long way from meeting mortgage demand and this is evidenced by long mortgage queues, a declining percentage advance and purchasers funding part of the purchase price from sources other than building

societies, often at a greatly enhanced rate of interest'.

It is not possible to give any firm estimate of what mortgage demand might be but the BSA attempts to indicate approximate orders of magnitude to indicate the shortfall of building society loans at present.

During 1977 and 1978 building societies were lending at an annual rate of 800,000 loans, and while they were not meeting demand during that period they were probably not too far away from doing so, and therefore a reasonable minimum estimate of demand would be 800,000 loans a year or 67,000 a month.

On present trends the average house price is now about £22,800 and if the percentage advance returns to a normal level of 67 per cent then the average advance would need to be £15,280 whereas currently it is no more than £13,000. A combination of 67,000 loans and an average advance of £15,280 gives a total lending requirement for house purchase slightly in excess of £1,000 million.

Allowing for lending other than for house purchase, true demand for build-



City Notes

A Long Way To Go

Via a different route, the present Government seems to have reached the same kind of monetary dead-end as its predecessor. It needs, through the Treasury and the Bank of England, to have deep discussions on methods controlling the money supply which, to judge by the October figures, is not performing as it ought.

The Government is also in the same position as its predecessor in needing to sell gilts in order to reduce the borrowing requirement and having to let the gilt market drop so that gilts can be sold on the rebound. That this should be the case within six months of the Government taking office suggests that the inherited problems were much deeper seated than the incoming Government feared.

It is doubtful whether those problems have been effectively eased by actions so far taken, even allowing for the fact that general world economic conditions have been entirely unhelpful. It is to the Government's benefit that such conditions should have developed early in its term of office. At least there is time for improvement.

Home Loans

An extremely interesting association of banks has been put together by S. G. Warburg to cover the £20 million bank loan facility for the Anglia, Hastings and Thanet Building Society. The society will use the funds for top-end lending in the same sphere, incidentally, in which the main clearing banks are now operating — the over £25,000 mortgage. That means that the borrower needs to be in the over £10,000 a year income bracket.

The nearest the group gets to a clearing bank is Grindlays, owned 49 per cent by First National City Bank (Citibank) and 51 per cent by Grindlays Holdings which is, in turn, 41.4 per cent owned by Lloyds Bank.

It was timely that the arrangement of City money for Anglia, Hastings and Thanet coincided with the decision of the Government to set up a group to review finance for home ownership. The

study group may be well advised to look first at the growth in demand for finance rather than in the methods of finance raising.

A recent survey showed that 8 young people out of 10 assume they will own their own homes and look on home ownership as a birthright.

Tea Time for Cotts

The agreement signed in the City between Mitchell Cotts Group and the Government of Uganda, for the return of Mitchell Cotts to the management of its Ugandan tea estates, may be followed by other agreements with British companies which operated in Uganda before the

Amin regime's wholesale confiscation.

The original Mitchell Cotts tea estates are to be transferred to a new company owned 51 per cent by the Ugandan Government and 49 per cent by Mitchell Cotts. The four estates cover some 5,760 acres and Mitchell Cotts will manage the enterprise, having first made good the past seven years of neglect, and will also be responsible for the marketing of the tea produced.

Agreement on Mitchell Cotts' compensation claim has been reached but details have not yet been published. The assets stand in Mitchell Cotts books at £3.5 million and the 49 per cent share of the new tea estates company will form part of the compensation settlement.

Rates and Prices

Closing prices, Monday, November 12th, 1979

Bank of England Minimum Lending Rate						Money Rates						
May 5, 1978	..	8½%	Feb 8, 1979	..	14%	Day to day	9½-13½%	Bank Bills				
May 12, 1978	..	9%	Mar 1, 1979	..	13%	7 days	.. 14½%	2 months 15½-15½%				
June 8, 1978	..	10%	April 5, 1979	..	12%	Trade Bills		3 months 15½-15½%				
Nov 9, 1978	..	12½%	June 12, 1979	..	14%	1 month	.. 16½%	4 months 15½-15½%				
						2 months	.. 16½%	6 months 14½-15½%				
						3 months	.. 16½%					
Finance House Base Rate						Three Months' Rates						
November 1st, 1979, 14½%												
Certificates of Tax Deposit												
August 3rd, 1979:						Local authority deposits 14½-15½%						
interest on payment of tax 14% + 0% per annum						Local authority bonds 16½-15½%						
withdrawn for cash 11%						Sterling deposit certificates 15½-15½%						
						Euro-sterling deposits 15½-16½%						
FT Industrial Ordinary Index						Euro-dollar deposits 15½-15½%						
November 12th, 1979, 413.0						Inter-bank rate 15½-16%						
Treasury Bills						Foreign Exchanges						
Sept 7	..	£13.3485%	Oct 12	..	£13.3615%	New York	..	2-1150 Frankfurt .. 3-7975				
Sept 14	..	£13.4027%	Oct 19	..	£13.3646%	Montreal	..	2-5080 Milan .. 1755.50				
Sept 21	..	£13.4131%	Oct 26	..	£13.4713%	Amsterdam	..	4-2175 Oslo .. 10-6875				
Sept 28	..	£13.3638%	Nov 2	..	£13.4868%	Brussels	..	61-3500 Paris .. 8-8950				
Oct 5	..	£13.3244%	Nov 9	..	£14.7581%	Copenhagen	..	11-1975 Zürich .. 3-5175				
Gilt-edged												
Consols 4%	..	..	..	..	30½	Treasury 13½% 1997	..	 96				
Consols 2½%	..	..	..	..	21	Treasury 9½% 1999	..	 75				
Conversion 3½%	..	..	..	..	34½	Treasury 9% 1994	..	 70½				
Funding 3½% 99-04	..	..	..	..	35½	Treasury 8½% 84-86	..	 84½				
Funding 5½% 78-80	..	..	..	..	95½	Treasury 8½% 87-90	..	 71½				
Funding 5½% 82-84	..	..	..	..	78½	Treasury 3½% 77-80	..	 94½				
Funding 5½% 87-91	..	..	..	..	62½	Treasury 3½% 79-81	..	 91				
Funding 6% 1993	..	..	..	..	58½	Treasury 5% 86-89	..	 62				
Funding 6½% 85-87	..	..	..	..	73½	Treasury 5½% 08-12	..	 44½				
Treasury 13% 1990	..	..	..	..	95½	Treasury 2½%	..	 18½				
Treasury 12½% 1993	..	..	..	..	91½	War Loan 3½%	..	 27½				
Retail Price Index (Jan 1974=100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2			
Tax and Price Index (Jan 1978 = 100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2			

Letters to the Editor

ED24 – What Now?

SIR, – ‘Oh what a tangled web we weave . . .’ Why, in 1975, did the CCAB reject the plea of Mr John Grenside, its chairman, to get on with the immediate job of implementing Sandilands without further loss of time ‘in futile and sterile debate’?

After attending and being heard at the last public hearing I gleaned that – after four years of sabotage of Sandilands – the profession is now under strong Government pressure to ‘do something’; and that that ‘something’ is likely to be a standard based on ED24. I have since written to Mr Tom Watts, chairman of the ASC, imploring him not to go ahead with such a ‘half-baked, lop-sided, tendentious document’. What we need is a guidance manual, incorporating the best ideas – and alternatives – emerging from the public hearings. In view of the time-factor, I have even volunteered – given a little secretarial and technical assistance – to produce a draft of such a manual within two or three weeks!

What a pity also that successive Presidents have rejected my repeated exhortations to turn the research-brigade loose on the annual Blue Books of National Income and Expenditure – a unique exposition, over four decades, of CCA. Had they done so, they might have avoided some of the worst horrors of ED24; as evidenced by the table below contrasting CCA

company profits (from tables 5 and 11 of the Blue Book) with the phantasmagoria enshrined in ED24.

COMPANIES and FINANCIAL INSTITUTIONS
CCA PROFITS – 1969–78

	Total	Industrial & commercial	Banks & Fin, Insts
A. From Blue Books:			
1. Total gains (£bn)	169	152	17
2. Net operating profits (£bn)	43	33	10
3. 2:1, per cent	25.4	21.7	58.8
B. From ED24		‘Manufacturing company’	‘Bank’
1. Total gains – ignored		—	—
2. HC profit (£m)		101	158
3. Less COSA		57	—
Depreciation		10	9
4. Net operating profit (approximately Sandilands basis – JC)		34	149
Less: MWCA		7	93
5. Net operating profit – ED24 basis		£27m	£56m
6. 5:4, per cent		79.4	37.6
SUMMARY B6 x A3		17.2	22.1

The proof of the pudding is in the eating: the above table indicates that the ED24 version of CCA would conceal some one-fifth of commercial/industrial operating profits; some three-fifths of bank operating profits; and more than three-quarters of total gains.

I find it difficult to believe that the ICAEW Council could imagine that such a ‘standard’ would be in line with our motto.

Yours faithfully,

Cheam, Surrey.

JACK CLAYTON, FCA.

Insuring Rent

SIR, – With regard to the article under this heading in your issue of October 4th, whilst the subject-matter is factually correct, I feel that any article on this topic which does not deal with the relative merits of insuring rent receivable under a material damage policy and a consequential loss policy must be incomplete.

Your correspondent states that normally it is not possible to obtain any return of premium, and therefore it must be assumed that he is envisaging insurance under a material damage policy, because when the insurance is arranged on a consequential loss basis the premium is adjusted at each renewal on the actual amount of rent received in the last financial year. A full return of premium is allowed in respect of any overinsurance up to a maximum of 50 per cent of the premium paid at the beginning of the year of insurance.

Where rents are reviewed frequently or a large number of premises are insured on one sum, it is likely that the normal approach to rent insurance under a consequential loss policy would be adequate to deal with the situation and the rebate clause would allow the insured to insure for anticipated rents without any unnecessary expenditure on premium. However,

the special arrangement outlined by your correspondent is available to deal with cases where the return of 50 per cent is not sufficient to regulate the premium correctly in line with the cover being provided, eg, where there is an insurance on a single premises and the rent has been suppressed for a lengthy period under the terms of a lease and a very large increase is anticipated when review is possible.

Another advantage of a consequential loss policy is that the cover provided is more advantageous to the insured. A material damage policy will pay for loss of rent only in respect of the period during which the premises are untenable because of damage whereas cover under the consequential loss insurance continues until the rents receivable are restored to the anticipated level, which caters for the position where there is some difficulty in re-letting a restored building.

The final point in favour of a consequential loss basis is that when the indemnity period is two years or more and the sums insured are substantial, it is likely that the premium will be less than that under a material damage insurance, though currently much will depend on the special rating available under the respective policies.

Yours faithfully

JIM IMLAH, FCIL

Consequential Loss Production Manager
COMMERCIAL UNION ASSURANCE

London EC3

Top-slicing Relief

by FÉLICE V. SLADE, FCA
Chart Foulks Lynch Ltd

Top-slicing relief is a measure of relief from income tax available in certain circumstances where an extraordinary lump sum of income is assessable for only one year of assessment. In the absence of such relief, a heavy addition to normal annual income could make an individual liable to an artificially high marginal rate of tax for that year

Items on which top-slicing relief can be claimed are:

- (1) Premiums received on short leases (Section 85 and Schedule 3, Income and Corporation Taxes Act 1970).
- (2) Clawback of stock relief on cessation of trade (Section 37 and Schedule 5, Finance Act 1976).
- (3) Gains from life policies (Section 400, Income and Corporation Taxes Act 1970).
- (4) Payments on retirement or removal from office or employment (Section 187 and Schedule 8, Income and Corporation Taxes Act 1970).

Top-slicing relief has the effect of spreading the lump sum over the period of years to which it relates, but in fact the assessment is raised and the relief given for the one tax year in which the sum arose. The relief is given in terms of 'reduction of tax', not adjustment of total income, which may be important when age allowance or life assurance relief is also due.

Short leases

Under Schedule A (and sometimes Schedule D, Case VI) the revenue element of a premium received on the grant of a short lease (ie, a lease for not more than 50 years) is assessed as 'additional rent' for the year of assessment in which the lease is granted. The revenue element is the premium less 2 per cent for each complete year of the lease other than the first.

Example 1

On September 29th, 1978, A, a bachelor, granted a 21-year lease to B for a

premium of £14,000. In addition A's net rental income from the letting amounted to £1,600 for 1978-79. A's only other income for 1978-79 is a salary of £8,000.

In the absence of any relief, the addition of £8,400 to A's income, in respect of the premium, would push up his marginal rate of tax for 1978-79. The method of calculating the total income tax liability, taking into account top-

Table 2

a) Tax on total income excluding premium:

Salary	£8,000
Net rental income	1,600
	9,600
Personal allowances	985
	£8,615
Chargeable:	
Lower and basic rates on £8,000	2,580
40 per cent on £615	246
	2,826

b) Additional liability on yearly equivalent £8,400 (Example 1) ÷ 21 = £400

	£	£	£
(£1,000 - £615)	385 at 40 per cent	154.00	
	15 at 45 per cent	6.75	160.75
	400		
Surcharge on (£1,700 - £1,600):			
	100 nil		
	300 at 10 per cent	30.00	30.00
	400		
			£190.75

c) £190.75 × 21 (years) = £4,005.75

d) Total tax payable with top-slicing relief:
£2,826.00 + £4,005.75 = £6,831.75

Table 1

The Schedule A assessment for 1978-79 is:

Premium received	£14,000
Less: 2(21 - 1) per cent	5,600
	8,400
Net rental income	1,600
	£10,000

slicing relief, is:

- (a) calculate the tax on the total income excluding the premium;
- (b) calculate the additional tax that would be payable if there were added to the existing income (excluding the premium) one year's proportion of the premium - what the Taxes Act refers to as the 'yearly equivalent' (ie, the revenue element of the premium divided by the full term of the lease),
- (c) multiply the tax calculated in (b) by the number of years in the full term of the lease, and
- (d) add (c) to (a).

Example 2

Continuing from Example 1, steps (a) to (d) are shown in Table 2

To determine the amount of the top-slicing relief itself, one has only to calculate tax on the total income including the premium and compare that liability with the reduced total liability in (d) above.

Example 3

Continuing from Example 2: (see Table 3).

It will be seen that the relief has reduced A's marginal rate of income tax from 85 per cent (70 + 15) to 55 per cent

Student Roundabout

Table 3

Taxable income excluding premium	£	8,615
Add: Premium (revenue element – see Example 1)		8,400
Taxable income including premium		17,015
Chargeable:		
Lower, basic and higher rates on £16,000		6,955.00
70 per cent on £1,015		710.50
		7,665.50
Surcharge:	£	£
1,700 nil		
550 at 10 per cent		55.00
7,750 at 15 per cent		1,162.50
		1,217.50
	10,000 (£1,600 + £8,400)	
Liability without top-slicing relief		£8,883.00
Top-slicing relief: £8,883.00 (above) – £6,831.75 (Example 2)		£2,051.25

(45 + 10). The time limit for claiming top-slicing relief in these Schedule A (or Schedule D, Case VI) cases is six years from the end of the year assessment to which it relates.

Where under the terms of a lease the tenant is required to carry out work on the premises (other than normal repairs and maintenance) the benefit accruing to the landlord is treated for Schedule A purposes as a premium receivable at the commencement of the lease. Top-slicing

relief may then be claimed and calculated in the ordinary way.

Similarly there is treated as a premium any sum payable by the tenant:

- (i) for varying any of the terms of the lease or
- (ii) under the terms of the lease, for surrendering it, or in lieu of the whole or part of the rent.

A sum payable under (i) is treated as falling due when the contract for

variation is entered into and under (ii) when the sum in question is payable.

In both these instances the abnormally high Schedule A assessment and the top-slicing relief resulting from it will usually arise for some year other than the year of assessment in which the lease is granted.

Clawback of stock relief

Top-slicing relief may be claimed in respect of a clawback of stock relief on cessation of a trade (or profession) provided the trade has been carried on for more than one year. (It will be recalled that while no clawback assessment can be raised in respect of a reduction in stock values for the final period of account ending with cessation, for the final year of assessment there will be a clawback assessment in respect of unrecovered past relief.) No such relief applies to an ordinary clawback of stock relief during the course of a trade.

The method of giving top-slicing relief is comparable to that in respect of a premium on a lease except that the clawback represents earned income and the appropriate fraction instead of being one year's proportion of a premium is one-half of the clawback if the trade was carried on for more than one but less than two years; or one-third of the clawback if the trade was carried on for two or more years.

The income tax on one-half or one-third of the clawback assessment, treating that as the top slice of the individual's income, is then multiplied by 2 or 3 as appropriate, to arrive at the final tax liability on the clawback after top-slicing relief.

Example 4

C, a single woman, who had traded as a supplier of pet foods since 1950, permanently ceased to trade on January 31st, 1979. Her statutory income for 1978–79 consisted solely of the following Case I assessments. (See Table 4.)

C's total income tax liability for 1978–79 after giving top-slicing relief (calculated in the same stages (a) to (d) as with A's lease premium) is:

	£
Adjusted profit (6.4.78 – 31.1.79)	9,600
Clawback of stock relief on cessation	6,000
The top-slicing relief has restricted	

Table 4

a) Tax on total income excluding clawback assessment:

Case I Adjusted profit	£	9,600
Less: personal allowance		985
		£8,615
Lower and basic rates on £8,000		2,580
615 at 40 per cent		246
		£2,826

b) Additional tax on one-third of £6,000 clawback assessment:

(£1,000 – £615)	£	£
385 at 40 per cent		154.00
1,000 at 45 per cent		450.00
615 at 50 per cent		307.50
		£911.50

c) Tax on clawback assessment of £6,000 restricted to:
£911.50 × 3 = £2,734.50

d) Total tax liability for 1978–79 = (a) + (c)
£2,826 + £2,734.50 = £5,560.50

Student Roundabout

C's marginal rate of income tax from 65 per cent (applicable to a taxable income of £14,615) to 50 per cent (as in (b)).

For retirement annuity relief purposes a clawback assessment forms part of 'relevant earnings', although stock relief does not reduce those earnings.

Top-slicing relief in respect of a clawback of stock relief must be claimed within two years of the end of the year of assessment for which the clawback is assessed; ie, in the case of C in Example 4, by April 5th, 1981.

Gains from life policies

Life assurance policies taken out after March 19th, 1968, must fulfil certain requirements (eg, premiums must be payable for at least 10 years) if life assurance relief is to be granted on the premiums. If a life policy effected after March 19th, 1968 is not a 'qualifying' policy,

- (i) no life assurance relief is given on the premium(s), and
- (ii) there is a charge to income tax at the excess of the higher rates over the basic rate, and the investment income surcharge (if applicable) on any 'gain' realised on death, maturity, surrender or on assignment of the policy.

It is then that top-slicing relief must be considered.

In a straightforward case, the assessable gain on the policy (which in normal circumstances is exempt from capital gains tax) in the year of encashment is the excess of the proceeds over the premium(s) paid. This gain (like the premium on a lease) is treated as unearned income and as the top slice of the policyholder's income. In calculating the excess liability after claiming top-slicing relief, the 'gain' is divided by the number of complete years the policy has run. The excess liability attributable to that fraction of the 'gain' is multiplied by the relevant number of years.

Example 5

D, a bachelor, took out a single premium whole life policy in June 1975 and surrendered it in May 1978 when he was in need of additional funds. The proceeds exceeded the premium paid by £3,600. For 1978-79, D's only income was his salary of £9,600 p.a.

Assuming that D claims top-slicing relief the computation of his total income tax liability, taking the relief into account, will be calculated as shown in Table 5.

The time limit for claiming top-slicing relief on gains on life policies is six years after the year of assessment involved.

Someone with an inquiring mind may well be asking whether there can be any tax advantage in taking out a non-qualifying life policy in preference to a qualifying policy. Such non-qualifying policies (which take a variety of forms and may consist of investment bonds linked to unit trusts) appeal most to those paying income tax at higher rates and investment income surcharge, for the chief attraction lies in the fact that there is no income tax liability to the policyholder on the reinvested income while the policy is in force and the income of the insurance company's life fund bears tax at a reduced rate of 37.5 per cent. Such a policyholder may take out the policy when he is liable to income

tax at high rates and plan to surrender it after retirement when the proceeds plus his income of the year of surrender are insufficient to take the policyholder beyond the basic rate of income tax. In that event no income tax liability will arise on surrender.

A charge on the gain can also arise on a qualifying policy taken out after March 19th, 1968 if, within the lesser of 10 years from the date of the policy or three-quarters of its term, the policy is surrendered or assigned for value or converted into a paid up policy. Note that the circumstances giving rise to a gain are restricted in comparison with a non-qualifying policy.

The chief difference between the computation in relation to gains on life policies and those relating to premiums on leases or clawback of stock relief on cessation of trade is that *no basic rate tax is chargeable* on the gain. This is because tax will effectively have been suffered already on the reinvested income under the policy.

Table 5

a) Income tax on income excluding the 'gain':

Salary	£9,600
Less: personal allowances	985
	<u>£8,615</u>

Income tax on £8,615 (see Example 2)

£2,826

b) Excess liability (only) on 'gain'

Gain ÷ 2 (years) £1,800

Excess liability thereon:

(£1,000 - £615) £385 at 40 per cent	154.00
1,000 at 45 per cent	450.00
415 at 50 per cent	207.50

£1,800 811.50

Deduct: £1,800 at 33 per cent

594.00

Add: Surcharge £100 at 10 per cent

217.50

10.00

£227.50

c) £227.50 × 2 = £455

d) Total income tax liability:

On salary (as in (a))	2,826.00
On 'gain' (as in (c))	455.00

£3,281.00

Note that top-slicing relief has reduced the marginal rate from 70 per cent (55 + 15) to 60 per cent (50 + 10)

Student Roundabout

So far there have been exam questions on top-slicing relief generally and on top-slicing in relation to premiums on leases and clawback of stock relief in particular. The writer does not recall seeing any detailed question on gains on life policies (although the clawback of life assurance relief on the early surrender of life policies has been touched on) – but there is always a first time!

Detailed exam questions on top-slicing in relation to golden handshakes (as opposed to the calculation of the standard capital superannuation benefit) belong more to the rarefied atmosphere of the Associateship Final Examination of the Institute of Taxation (see November 1978, Paper I, No. 7) and will be included in a later article.

ERROR IN PEI TAX PAPER

The ICAEW Examination Committee this week admitted 'an unfortunate error' in question 6 of last month's PEI Taxation paper. In the words of the official announcement, 'the circumstances will be taken fully into account in the marking of scripts [and] all possible steps will be taken to ensure that candidates to not suffer as a result'.

Apart from this reassurance – which is coupled with an ominous reference to 'appropriate disciplinary action' – the Institute has been decidedly reticent over the circumstances of the error. According to other sources, however, it involved the omission of information essential for a CGT computation, and was discovered only after candidates had complained to the invigilator on the day of the examination. One student representative has already described this as 'disgraceful'.

DELOITTE'S UNIVERSITY GAME

A new management game – the first between universities – has been launched. Nearly 1,000 students will be taking part, coming from 45 universities throughout the UK and Eire. Deloitte Haskins and Sells, the sponsors, 'will be very interested to see if the game produces any potential financial wizards'.

The winners' university department takes half the prize money to improve facilities, while the other half is split between the members of the team.

Accounting Education Consultative Board

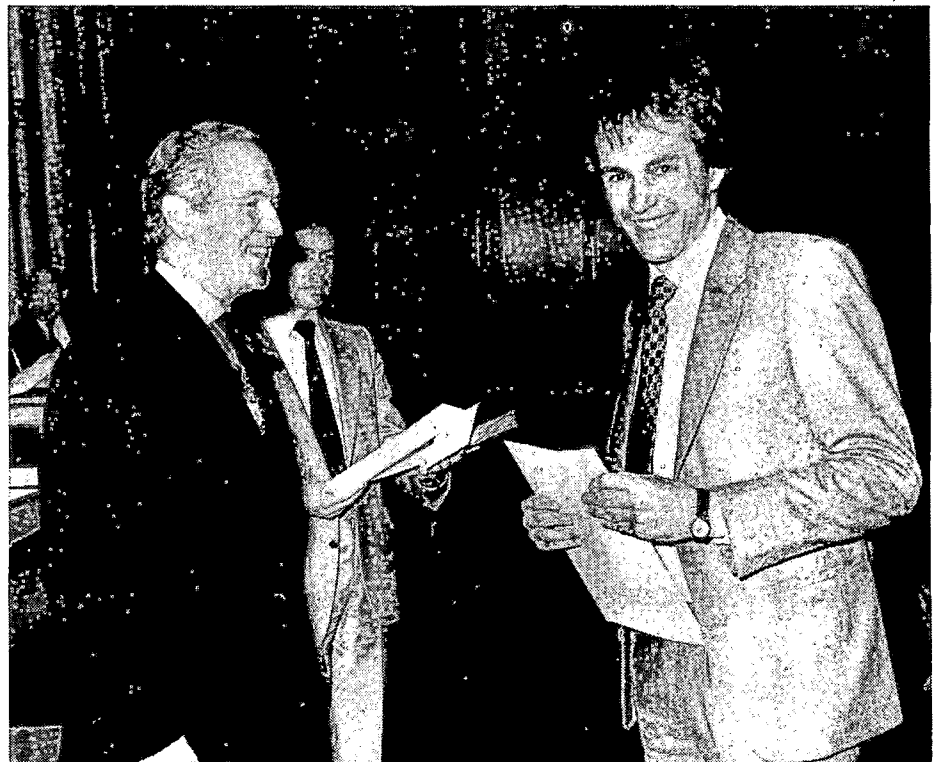
New Chairman from Polytechnic Education

Dr George Brosan, TD, CEng, FBIM, director of the North East London Polytechnic, has been elected chairman of the Accounting Education Consultative Board, which has been responsible for co-ordinating education for accountants since 1976 and is representative of both the educational institutions and the professional bodies.

Dr Brosan was previously chairman of the Board's statistics and resources committee and a member of the ICAEW Education and Training Committee. He is the first person from polytechnic education to hold the post and is 'particularly happy at this recognition by the accountancy profession of the vital role polytechnics can play, as equal partners with the universities, in providing appropriate education'. One of the most important things for the future, he



feels, 'is to make both the profession and the educationalists aware of the increasingly international dimensions of accounting'.



Paul Roberts, BA, (right) of Arthur Andersen & Co, smiles at the camera after receiving his prize for his performance in the July 1979 ICAEW PEI exams. Paul was awarded first place in order of merit and the Peat Prize. (He was also placed first in the November 1977 PEI)

Presenting the prizes and certificates at Chartered Accountants' Hall last week was Mr David Richards, FCA, ICAEW President.

Notice Board

PROFESSIONAL NOTICES

Dearden Farrow announce an association with David B. Ivison, Chartered Accountants, of Hartlepool, in the form of a joint practice – Dearden Farrow & Co, Teesside firm, with offices at 51 Wilson Street, Middlesbrough. The partners will be Messrs A. J. Hird, R. J. Millen and J. C. Binns representing Dearden Farrow, and Messrs B. Firth, E. Egglestone and P. N. Olsen representing David B. Ivison.

Kidsons announce that, at a recent meeting of Douglas F-Richard Kidsons International, M. Francois-M. Richard of Unirevise SA was re-elected president. Kidsons' national chairman, Mr John W. Powell, was elected deputy president.

MacIntyre Hudson announce that Mr H. J. Jolly has retired from its partnership and that Mr Ian C. Betteridge and Mr Michael J. Brown have been admitted as partners, based at the Leicester and Northampton offices respectively.

The partners of Morley & Scott announce that Mr Anthony Martin Hugo Bauer, FCA, has been admitted to the partnership from October 1st, 1979.

APPOINTMENTS

Mr L. J. Baldwin, FCA, has been appointed to the board of Clares (Holdings) Limited.

Mr Chris Black, ACMA, has been appointed marketing manager for professional services at Systime Limited.

Mr Alan J. Hird, FCA, a partner in Dearden Farrow & Co, Chartered Accountants, has been appointed as non-

executive financial director to Challenge Hosiery Co Ltd of Eastwood, Nottinghamshire, and to Catalonia Paper Tubes (UK) Ltd.

Mr Graham Jones, ACA, has been appointed administration controller of Bowyers' seven UK meat processing plants.

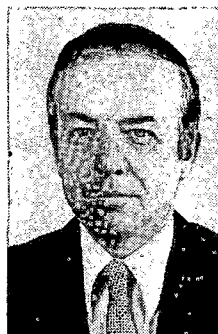
Dr Arthur Kent, PhD, BSc, ACCA, has been appointed financial controller of Leigh Interests Limited.

Mr A. D. Legg, IPFA, has been appointed manager of the Audit and Investigations Department, British Gas.

Mr J. A. Hancox, FCA, has been appointed director of finance for Savills.



Mr J. A. Hancox



Mr K. Sedgwick

Mr Keith Sedgwick, FCMA, has been appointed deputy managing director of ERA Technology Limited.

Mr Graham Slater, ACA, has been appointed company accountant to Finglas Laboratories Ltd.

RETIREMENT

Mr William Armstrong, MC, FCIS, will retire as chairman of R. Paterson & Sons Ltd at the end of 1979.

PUBLIC ACCOUNTANTS' ASSOCIATION

Council Appointment

The Association of Authorised Public Accountants announces the appointment to its Council of Mr Kenneth H. Buckler, FBAA. His appointment, it is stated, 'brings to the Association many years of past experience in negotiations with government, which should be of substantial benefit to the interests of the section 161 authorised auditor'.

Mr Buckler is also chairman of the British Association of Accountants and Auditors, but it has been emphasised that the two Associations remain entirely separate and unconnected. His appointment to the AAPA Council is claimed as a significant step towards its claim for corporate recognition.

ICAEW GUIDE TO SOCIAL SECURITY

The wide range of Social Security benefits payable under the Social Security Acts 1975 to 1977 (including benefits payable from November 1979) is explained in the latest ICAEW Accountants' Digest (No 82). Pointing out that almost everyone in the UK will at some time be receiving some form of state benefit, the Digest goes on to outline the main benefits in handy summary form.

The author is Kenneth Bartlett, FCA, a partner in Fryer Whitehill & Co, Birmingham.

('Aspects of Social Security Benefits 1979/80' by K. D. Bartlett. Publications Department, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ, price £3.50.)

John Foord

chartered surveyors
plant and machinery valuers



Victoria Valuers

stocktaking
inventories
and asset
valuations

9 Golden Square
London W1R 3AF
01 434 1718

**industrial
retail
wholesale**

stocktakers and advisers on stocktaking procedures

Charitable bequests...

A suggestion to those whose advice is sought.

When clients consult you on the matter of leaving a legacy to Charity some are concerned about human welfare and others with animal care. One charity, however, is unique in that it exists to help people *and* animals.

The PDSA exists for the purpose of providing free treatment for sick and injured animals owned by people who cannot afford the private veterinary fees. By relieving the physical suffering of an animal, it also relieves the anxiety of the owner.

These days many people devoted to an animal just cannot afford veterinary treatment – so the PDSA provides it. More than 750,000 animal treatments a year are carried out in England, Scotland and Wales. That is why the PDSA which is supported entirely by voluntary contributions needs help.

We will gladly send you further information about the ways in which Bequests, Deeds of Covenant or Donations can be made. Please write to:

Sir Mark Tennant KCMG CB
Honorary Treasurer People's Dispensary for Sick Animals
PDSA House South Street Dorking Surrey RH4 2LB.
Telephone Dorking 81691.



Registered Charity No. 208217

It's what's behind this Card that really matters to your company.



29 JAN 1980



The American Express Company Card System, as the name implies, means much more than the international mobility and security that the Card alone can offer the business traveller.

It means an end to the continuous flow of different bills and receipts for travel and entertainment expenses, from a variety of sources.

Because behind the Card is a streamlined efficient expenses system. It sorts and collates all travel, restaurant, hotel and car-hire expenses charged to the Card for each of your managers and executives. And summarises them

in a concise monthly statement.

Together with an itemized breakdown for each employee, this forms a compact and permanent record which allows you to identify and control patterns of spending.

In addition to the administrative savings, you can also substantially improve expenses cash flow.

For fuller details of how the American Express Company Card System can be tailored to meet your company's own special needs just cut out the coupon.

And cut the hidden costs of business expenses.



To: The Manager, Company Cards, American Express Company, Freepost, P.O. Box 91, Brighton BN2 1ZQ.

Please let me have further details of the Company Card System for 10 or more employees regularly incurring business expenses.

Name Mr Mrs Miss _____

Position _____

Company Name and Address _____

A/C2

☐ If you would like details of the system for 1-9 employees only please tick



The American Express Card for Companies —it's more businesslike.

American Express Company Incorporated with Limited Liability in the USA. J.S. Quartley - Resident Vice President United Kingdom and Ireland.



THE ACCOUNTANT

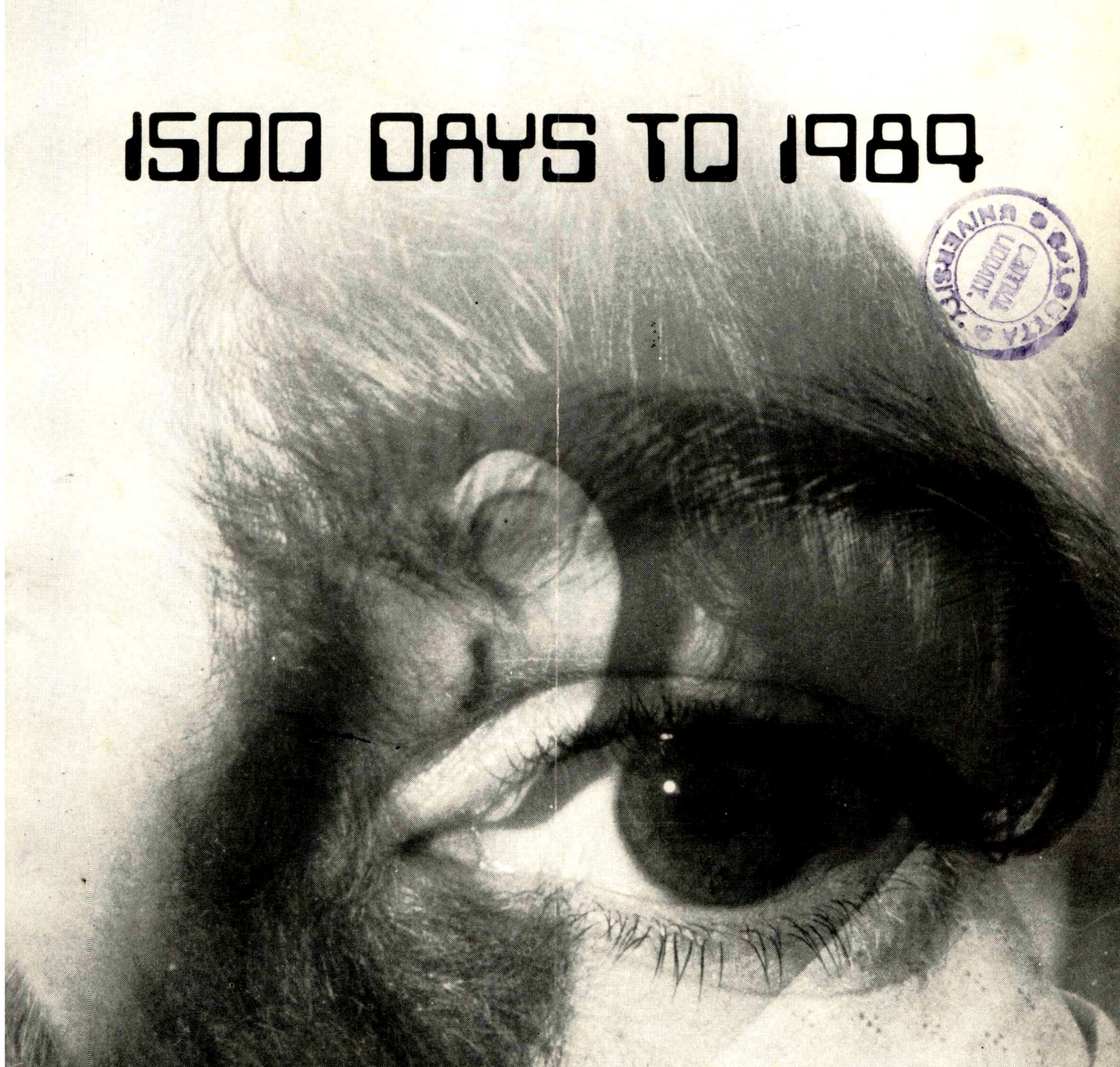
ESTABLISHED 1874

30p

NOVEMBER 22nd, 1979

69

1500 DAYS TO 1984



Once again you can know what the dollar might do next.

As the seat of Presidential power, the most important decisions affecting western and world economies emanate from Washington.

Every day Times correspondent Frank Vogl spends his time getting behind the famed closed doors of that city.

And every day he sends The Times Business News his report.

From a breakdown of President Carter's latest anti-inflation programme to discussing the most inflammatory of the Senate debates; from studying growth industries to commenting on the ever-fluctuating Wall Street, Vogl brings you all the news that's likely to affect the western and U.K. economy.

And therefore your business.

Frank Vogl is just one very good reason why you should use The Times Business News. Every day.



THE TIMES

Back, to keep you better informed.

Editor:

M. Barradell, LLB, FCA

151 Strand

London WC2R 1JJ

Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5469

NOVEMBER 22nd, 1979

In this Issue

726

Matters of Concern

731

Leasing – A Distinct Financial Facility Requiring its Own Accounting

A. H. MacDonald

734

The Future of the Professions

David Richards, FCA

738

Picking Up the Community Tab

Richard Bailey

739

'Nothings' Issue for the Chancellor

741

1500 Days to 1984

Harry T. Chambers

746

Oiling the Wheels

752

Examiners' Report on PEII

Current Affairs 727

This is My Life 730

Accountant Abroad 738

Revenue Report 739

Office Efficiency 741

Financial Accountant 746

City Notes 751

Student Roundabout 752

Notice Board 756

Cover: The year 1984 will be with us in just 1500 days from this issue of *The Accountant*. Our Office Efficiency correspondent discusses some of the implications on page 741.

No Sinecure

The Institute of Directors' ambition to increase the number of non-executive directors, as part of its policy of changing its image from a gentleman's club to a driving force, is a good one. Their report 'The Responsibilities and Contribution of Non-Executive Directors on the Boards of UK Companies' claims that the structure of British management is inadequate. Executive directors, they say, need more objective advice and a broader perspective.

What comes across in the report most strongly is the very real responsibility of non-executive directors. Too often in the past, companies have padded out their boards with illustrious names who have treated the job as a sinecure and in a few cases, because of their lack of concern, have failed to meet their legal obligations.

The Institute would like to see the UK follow the American path with a preponderance of outside directors. With regard to the US pattern of board committees, the Institute takes a neutral line – reflecting, perhaps, the conservative instincts of its members. Audit committees whose membership should be mainly non-executive are considered, however, to be a useful channel to the board, providing a more independent forum to which the auditors can report.

A most noticeable recent trend is that, increasingly, younger chief executives and managing directors are being asked to serve as non-executive directors on boards of other companies.

Non-executive directors, it is felt, should spend around 10 per cent of their time with the company – perhaps two days a month. In order to encourage them in their responsibilities, they should be adequately remunerated – and this, most directors believe, has been too low, though some consider that higher remuneration may affect objectivity. It is also true that, if he is to do his job properly, a chairman or executive of a company should not hold more than two or three outside directorships. There have been some whose collection of offices approaches medieval ecclesiastic proportions.

If properly utilised, NEDs' services can be of vital importance to board and shareholders alike. One chairman's panegyric of a former non-executive director reads: 'He had wide experience, great imagination and a deep sense of the social obligations of the company. He was on the side of management. He devoted his time unstintingly at times of crisis; he showed quality in all that he did. . . . Firm in purpose, flexible in method, he used to say "We've heard all the arguments . . . now what is the right thing to do?"'

Sadly, we note that this same paragon was also 'sceptical of conventional wisdom and a merciless critic of accountants'. This in no way deters us from following, with interest and good wishes, the Institute's new initiative; which promises, at the very least, significantly to restrain the risk of a 'single dominant personality' syndrome and its attendant malpractice.



Matters of Concern

The sheer volume of reporting and comment on the latest developments in the UK economy has undoubtedly served to impress upon the general public that the next six months, and probably the coming year, will be difficult. Prices are expected to rise at a rate of about 20 per cent; higher interest rates following upon a Minimum Lending Rate of 17 per cent will hit, among others, small businesses and home buyers; unemployment is expected to rise, while industrial output will at best remain stagnant and, in all probability, fall. The external trade figures reflected in last month's returns are extremely depressing, while the current rate of growth in the money supply at about 14 per cent per annum has to be compared with the planned limits, set in the April Budget, of between 7 and 11 per cent.

While the public must by now be aware that a problem exists, it is doubtful if all that has been said and written during the past ten days has done much to explain either how the economy has got into this mess, or how the Government is trying to extricate itself from the mixture of rapid inflation and recession which the coming year will bring.

It is much easier to explain how the UK economy has drifted into the present crisis than it is to see just how the Government's latest measures will improve the situation. The present rate of inflation has been inevitable for more than a year, once the pay freeze collapsed and the terms of trade – ie, the ratio of import to export prices – turned against the UK last year.

The prospect of an election persuaded the previous Government to pursue policies which merely added fuel to the inflationary fires. Superimposed upon such elements was the fact that the present Chancellor of the Exchequer seems to have been unduly hasty in implementing his party's pre-election promises on taxation. Unfortunately he was unable, for reasons which have been obvious in recent weeks, to implement the promises relating to the reduction in public sector expenditure to anything like the same extent. Thus, it is not surprising that the UK economy now begins to demonstrate all the symptoms of 'stagflation'.

External factors

The latest rise in oil prices, and prospective further rises, will add to the difficulties confronting the world economy seeking to get out of the present recession. Nor, admittedly, has the British exporter been helped by the strength of sterling which largely stems from speculation in the US dollar. Likewise, the excessive EEC contribution which falls upon the British Government is aggravating the balance of payments situation. But to suggest that the nation's economic difficulties can be attributed to such external factors is so much nonsense. As has been observed before in these columns, the UK has only itself to blame for the situation in which it now finds itself.

Quite simply, it is low productivity which accounts for the absence of economic growth and living standards below the public's aspirations. It is the excess of government expenditure over and above the revenues from taxation which account for the massive public sector borrowing requirement. And it is that

borrowing requirement which, to a considerable extent, accounts for the Government's inability to control the money supply. Most important of all, it is the habit of demanding (and, worse still, getting) pay increases which may offset pending inflation but which bear no relation whatsoever to the increase in output out of which such awards should be met.

How and in what way are the latest developments in the present Government's policy intended to improve the situation? The theory is quite simple: by curbing the money supply through higher interest rates and a credit squeeze, the inflationary pressures will be checked because excessive pay demands will be offset by higher unemployment. The inevitable fall in aggregate demand will further depress output.

In a free market economy such forces would ultimately work to reduce inflation, albeit at the expense of employment and output. Unfortunately, the UK economy comprises two sectors, public and private – and the question is whether the Government's policies will affect both sectors equally. On that point there must be serious doubt. What is needed is a contraction in public sector spending and a transfer of resources into the private sector.

Little margin

But in the absence of any real cuts in public sector spending – for, up till now, it is mainly future planned spending which has been trimmed – there will be no release of resources from the public sector. Hence there will be little margin for tax reductions in April, upon which the Government places so much faith as a means of reviving the economy. The prospect of local authority rate demands of 20 per cent or more merely indicates that, in real terms, local authority expenditure has hardly been pruned.

The pending pay claims from the public sector, including those from the coal miners, are not likely to be based upon any prospect of higher efficiency. It seems to be insufficiently understood that increases in import costs and higher government spending can only be made without cutting private spending if there is a compensating increase in domestic production. Since this is not going to happen, the only way in which those higher costs and spending in the public sector can be borne by the community is a reduction in the latter's real incomes.

The fundamental weakness of the Government's economic policy is that they are seeking to use the weapons of the market place in an economy in which the normal workings of the market place are either limited or offset by powerful pressure groups and the unwillingness, of both Government and private employers, to press the proposed policy to its logical conclusion. Unless attitudes on this issue change overnight, there is no way in which dear money and 'free collective bargaining' (as it is euphemistically termed) will contribute to the revival of the UK economy.

In short, there are hard and painful lessons ahead both for the public and the Government. What is certain is that sacrifices have to be made – and they will not be evenly spread.

Anniversary and a Merger

A luncheon at Chartered Accountants' Hall last week marked both the formal inauguration of the practice of Cooper Basden & Adamson and the 125th anniversary of its oldest constituent – Mellors, Basden & Co, founded in Nottingham in 1854. John Adamson, Son & Co commenced practice in Manchester in 1867, and Cooper & Cooper in Bolton in 1880, these two firms uniting as Cooper Adamson & Co in 1968.

Both Robert Mellors and John Adamson became ICAEW founder members in 1880; the former lived to a great age, attaining distinction as 'the Grand Old Man' of his native city and as

the oldest practising member of the Institute. His son, T. G. Mellors, who joined the partnership in 1887, was President of the Institute in 1924–25 – in immediate succession, incidentally, to Sir Edward Moore, whose career was mentioned in *The Accountant* last week.

Among a number of other distinctions, the Cooper & Cooper branch of the new firm claims the record for the longest recorded stocktaking in professional history: two of its members working in Berlin in 1914 were interned for the ensuing four years! Unhappily, what must have been a memorable audit report seems not to have survived.



A memorable audit report . . .

NED in the Boardroom

Non-executive directors are one of the least understood yet potentially most important contributions to the direction and management of a company, according to Mr Walter Goldsmith of the Institute of Directors. A recent report by the Institute suggests that inadequate board structure could be a major factor in the bad performance of many British companies.

Executive directors involved in the day-to-day running of a company can lose the vital sense of perspective. Non-executive directors are in a better position to see a company as a whole and to take a critical view of it.

As well as helping future direction, non-executive directors should ensure the company formulates budgets; should monitor performance; help plan the succession at the top levels; and ensure that policy decisions are well prepared and properly approved. 'NED' – the non-executive director – has an important role as adviser to the chairman and becomes vitally important (as in a large public company) when the interests of the executive and the shareholders begin to diverge.

The Institute's report surveys a wide number of companies and analyses board structure and attitudes. Most feel that the present composition of 25 per cent

outside directors and 75 per cent executive directors is about right; the Institute in contrast feels that, as in America, the ratio should be reversed.

The most difficult task is in identifying suitable people for selection; it is important that non-executive directors should be objective and dispassionate rather than allies or quiescent fellow-travellers of the chairmen. The Institute is keen to establish its own 'Non-Executive Director Bureau' as a recognised source of candidates.

Out of Print?

Chartered accountant Mr William Rogers is named as one of the defendants, together with Lord Briginshaw, other former union officials and a firm of solicitors, in a writ issued by the print union NATSOPA. The grounds of claim relate to the sale of union properties in 1972, the deposit of union funds in Swiss bank accounts, and use of union funds by four companies said to be controlled by Lord Briginshaw and other persons.

Lord Briginshaw, his former personal assistant Miss Joan Wing, the former financial secretary of NATSOPA, Mr Alfred Skinner, and Mr Arthur Davis, former national assistant secretary, are also accused of conspiring between the years 1971 and 1979 to cheat and

defraud the union of the value of three of its London properties.

As previously reported (*The Accountant*, April 12th, 1979) the conduct of NATSOPA's financial affairs over the period 1967 to 1977 has been a cause of 'serious doubt'. At Chelmsford Crown Court last month, Mr Rogers also pleaded guilty to charges of forgery after backdating a letter to the Revenue.

Market Morals

Ideals should be compared with ideals and facts with facts, Professor Brian Griffiths said last week in the course of his inaugural address to this year's service for members of the Worshipful Company of Chartered Accountants. It was unrealistic for those who favoured a socialist system to compare western-style capitalism as it existed, 'warts and all', with the ideals of a Utopian society.

Speaking on the theme of 'Morality in the City', with particular reference to the market economy, Professor Griffiths suggested that the vesting of property rights in the state, as in a socialist society, led inevitably to the direction of investment, the direction of labour, a disincentive approach to dangerous or arduous occupations and ultimately to all the apparatus of totalitarianism. While secular capitalism undoubtedly posed difficulties for the practising Christian, the free operation of a market economy

Current Affairs

at least recognised human dignity to the extent of preserving freedom of choice, and was a powerful check upon governments in maintaining political freedom.

The service, which it is hoped will become an annual event in the Company's calendar, was conducted by the Reverend Basil Watson, OBE, MA, at the Church of St Lawrence Jewry, and was followed by a buffet luncheon at Chartered Accountants' Hall. As previously announced, Mr Kenneth Sharp, TD, MA, FCA, head of the Government Accountancy Service, has been appointed Master of the Company for 1979-80 in succession to Mr Alan Hardcastle, FCA.

Professional Audit for Crown Agents

Speculation over which of two or three major accountancy practices would be appointed auditors to the Crown Agents was resolved earlier this week in favour of Deloitte, Haskins & Sells.

News of this appointment comes against the background of last year's Tribunal of Inquiry into the Crown Agents' substantial losses over the years 1967 to 1974. The Tribunal then heard evidence (*The Accountant*, September 28th and October 26th, 1978) of large sums being invested by inexperienced officials with little guidance or supervision, and the 'rigging' of accounts to conceal the deficiency from the world at large; and that the advice of the one senior official with recognised accountancy expertise was largely ignored.

Independence and Self discipline

The accountancy profession can take great satisfaction from its new joint disciplinary scheme coming force next year. However, in order to safeguard its independence – 'the cornerstone of its very existence' – vigilance could not be relaxed.

ICAEW President Mr David Richards, in a sobering moment of an otherwise hilarious evening, warned 700 accountants and their guests assembled in Manchester for their annual district society dinner, that the 'the danger of State intervention is never far away.

Only by each putting its house in order – as we have done – can the professions earn the right to their continuing independence'.

The toast of the Institute was entertainingly proposed by Mr Victor Watson, MA, chairman of John Waddington – 'the company where you have to throw a double six for your holiday money'. He bolstered the confidence of accountants by likening them to navigators who charted the courses, and thanked the President of the Manchester Society – Mr T. D. Hanson, FCA – for his thoughtfulness in holding the dinner on Thursday 'so that we could all recover on Friday for the weekend'.

Mr George Carman, QC, replying on behalf of the guests, reviewed changes at the Bar and said that protection of minorities had gone too far. It was time, he suggested, for the unorganised majority to be protected from being suborned by organised minorities and pressure groups.

New Clauses in Companies Bill

New clauses have been tabled to the Companies Bill – now in its Committee stage – to deal with duties towards employees, and directors' conflicts of interest. One such clause provides that directors should, in the performance of their functions, have regard to the interests of their employees in general as well as the interests of shareholders.

The Government attaches importance to the requirement that all directors will have to consider the interests of employees in the same way as responsible boards already do, and sees this as a long-overdue amendment to company law. Other clauses deal with situations where there may be a conflict of interest between a director's duty to the company and his personal affairs; for example, loans and credit extended by a company to its directors and certain other transactions.

Loans to directors are already prohibited by section 190 of the 1948 Companies Act, subject to exceptions for moneylending companies. These provisions, however, have not prevented serious abuses, and past experience has highlighted the need to cover a wide range of credit transactions.

Waiting for Wilson

The Wilson Committee is already well past the October deadline for the first draft of its final report; some commentators have recently forecast February 1980 as the earliest practicable date for the first draft, with general publication 'some months' after that. The committee is deeply divided, even on such fundamental issues as how the capital market works and whether interest rates are a function of supply and demand in the market.

The reported divisions are not – as might have perhaps been expected – exclusively on political lines, or between employer and employee interests; on some issues the trade union representatives and the academic economists differ among themselves. Against this background, the choice appears to lie between an anodyne 'lowest common denominator' report and a series of memoranda of dissent.

There is, however, a significant measure of reported unanimity on the supervision of City institutions. The committee is expected to advise against continued self-regulation, through the medium of increased lay representation rather than government intervention.

Scottish Blessing for ED24

The ED24 proposals for a standard of accounting practice on current cost accounting have the full support of the Group of Scottish Finance Directors. They should be implemented, according to a recent announcement by the Group, 'without delay', but should continue to be dealt with in the form of a supplementary statement.

'The audit certificate [*sic*] cannot reasonably be extended to CCA accounts during a period of development', the Group continues. 'We therefore recommend that the CCA accounts should be subject to audit review.

'We feel strongly that the Accounting Standards Committee should undertake to review the standard after four years' practical experience'. In no circumstances, according to the Group, should CCA be made the occasion for an audit qualification.

**FIRST MONTH'S
ANNUALISED PREMIUMS
EXCEED £½ MILLION**

Hambro Maximum Investment Plan.

The plan for future capital and income.

This new plan from Hambro Life combines many important features to offer maximum investment flexibility and a highly tax-efficient investment.

It has been especially designed for those who wish to save regularly out of income or for those who wish to reorganise their capital.

A high degree of investment control.

- * At outset, contributions may be invested in one of seven investment funds, with facilities to switch between the funds.
- * Later, contributions may be directed into one of the other funds with a maximum spread of four funds.
- * The plan is designed to run for 10 years, but there are options to continue beyond this time.

Maximum tax efficiency

- * Contributions are eligible for tax relief.
- * Tax-free capital may be withdrawn after 7½ years.
- * Tax-free withdrawals to serve as an income can be taken after ten years.

For further details, contact your nearest Hambro Life broker branch, your other professional insurance adviser, or write to us at the address below.

Hambro Life



Britain's largest unit-linked insurance company.

Hambro Life Assurance Ltd. - Head Office - 7 Old Park Lane, London W1Y 3LJ.

Current Affairs

You Could Bank On It

A reserved judgment of the High Court in Dublin has decided that certain overseas banking transactions were not exempted from disclosure to the Revenue Commissioners ('Ordinary or Extra-ordinary', *The Accountant*, November 15th). The type of transactions in question involved the client presenting a cheque or other negotiable instrument, requesting that funds be transferred to a deposit account with an acceptable bank within the sterling area. He would then request a loan on the security of a letter of hypothecation over the funds, and the transfer abroad would not be conditional on the granting of the loan. This, the Court held, must be disclosed.

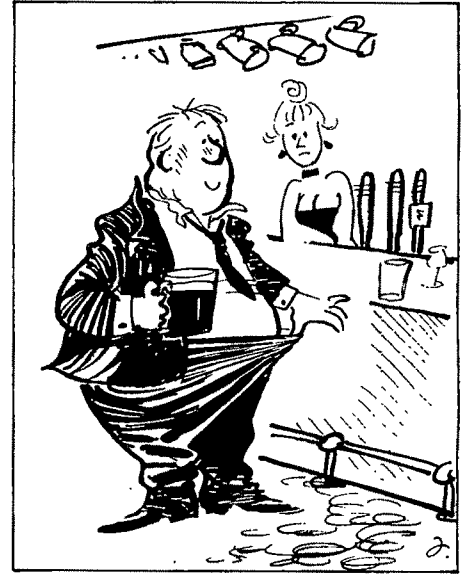
In another case, the client would

request a personal loan, offering as security a letter of hypothecation of the funds previously placed on deposit with an acceptable bank within the sterling area. This could be in Jersey, in the Isle of Man or in the Cayman Islands.

The Bank claimed that both transactions were normal ones, but the Court found that only the second type was exempted from disclosure.

Quote of the Week

'I subscribe to the rubber-band syndrome: I see my job as stretching everybody in my organization as far as possible without breaking them. I apply the same to myself, and I think there is still some stretch left.' — Mr Michael Smurfit, chairman of the Irish Republic's interim Telecommunications Board.



Some stretch left...

THIS IS MY LIFE

A Sister to Assist Her...

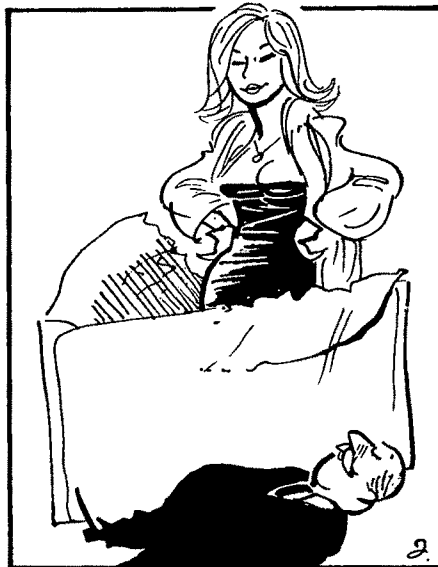
by An Industrious Accountant

Our pension fund committee normally includes Prinny as chairman and representative of legality, justice, knowledge and foresight. Scotty and I represent the salesmen, accountants and office staff, while temporary members are co-opted when necessary. In fairness, let it be said that we lean to generosity when in doubt.

The picture changed when Primrose of Punched Cards was voted on to the committee. She studied the personal files before the meetings to obtain the official information; but she also gathered a group of whatever girls knew the pensioners socially, and surfaced at our meetings with hitherto unknown details of John's nixers or Joe's night work at the docks or Jerry's weekend alcoholic sprees. Prinny almost had a rush of blood to the head when she revealed evidence that shattered his weedy assistant's reports.

What really worried Primrose was the

collection of sealed white envelopes entitled 'my beneficiary', stapled to the covers of the files. Employees naturally



The nearest and dearest person...

had wives and children and parents, so each gave us at our request the name of the nearest and dearest person whom he or she wanted to fall heir to their pension income or lump sum.

Ten years ago Albert died suddenly, whereupon no less than three enraged ladies, each claiming to be his lawful spouse, almost assassinated me in my own office. Since then the sealed white envelopes, seen by nobody till death struck, identify the winner when necessary.

Last week the assistant formally visited Nancy, whose handsome husband Ivor had only hours to live after his car-crash, and reported her as sick, miserable, and hopeless. Next day Primrose reported her own informal visit, which discovered that Ivor said some months ago to Nancy that he'd nominated that red-haired divorcee Dolly as his beneficiary. 'Only over my dead body will that painted so-and-so put Nancy out of her house', swore my department's champion; but we insisted, as we must, that the white envelopes were above discussion or disobedience, and if she was recalcitrant she must resign her membership.

But Ivor's opened file revealed that the beneficiary's name was completely inked over and illegible. We never found out the culprit — and Nancy got the pension after all.

Accounting for Leases

1 The Case for Capitalisation

by JOHN J. GLYNN MA, ACCA,
Lecturer in Accountancy, University of Exeter

The UK accounting profession decided to consider the question of accounting for leases in 1973. However, the expected exposure draft has yet to be issued, though its publication is due this November. Not the least of reasons for the delay has been the objections to the numerous proposals from the leasing industry, notably the Equipment Leasing Association.



Leasing has become one of the most important sources of finance for businesses in the UK. In 1978 the leasing industry set new records. Total expenditure by member companies of the Equipment Leasing Association (ELA) on assets for lease to customers amounted to £1,214 million. This represented an increase of 30 per cent on the £935 million of new business transacted in the previous year. It is estimated that leasing accounts for about 10 per cent of all new capital investment and provides up to 25 per cent of all external financing.

When considering such an extensive subject as leases immediately apparent that any short discussion will have to centre around a few fundamental issues. First, the discussion will be limited to those issues used primarily as a financing device – financial leases. Secondly, it is not the intention to anticipate the contents of the forthcoming exposure draft; broader accounting principles are examined, rather than what is proposed.

A lease is a legal instrument which transfers certain property rights and obligations from lessor to lessee. More specifically, a financial lease is an arrangement whereby the lessor obtains exclusive rights to the leased property in return for a rent, which in the first instance (the primary period) enables the asset to be fully amortised over the life of the agreement. Therefore the lessee may still obtain use of the asset by payment of a proportionate rent (the secondary period) which maintains the legal nature of the agreement and thereby enables the lessor to obtain the advantages of capital allowances and some investment grants.

Variations

Variations do of course occur in lease agreements, but in substance this is the accepted form of a financial lease. Additionally, the lessee is normally covered with general insurance over and over again among the leased asset in pool order. Much of the accounting controversy arises from the directly related to the very nature of financial reporting. The Corporate Reports (1978) document, August 20th, 1975, suggested that: "The fundamental objective of corporate

reports is to communicate estimates, measurements of and information about the resources and performance of the reporting entity, useful to those having reasonable rights in such information." International Accounting Standard No. 1 (para 7) states that transactions should be measured for and presented in financial statements in accordance with their substance and reality and not merely their legal form, though the IASB does not say so clearly in objective.

Taking the communication of estimate information as the prime objective of financial reporting, we have to consider the question of whether the nature of the financial transaction is such that an asset and/or a liability has been created. The establishment of either leads us to a consideration of how they should be measured in value.

Capitalisation by lessees

The first consideration is whether an asset exists. It seems evident that financial leases have almost all the hallmarks of debt and of owning an asset. An obligation is created by payment under an agreement which is normally not cancellable. Such cancellable positions are an allowed opportunity to the discounted value of the lease rentals due. This element must be factored in after all when a debt obligation amounts.

Financial leasing is an alternative to direct purchase; it can be regarded as a form of debt finance which increases the debt capacity and asset base of the concern. With an alternative form of debt finance, here purchase, no such problem is presented; assets so financed are shown in the balance sheet. This is, presumably, because nobody doubts the economic substance of such agreements and that legal ownership is eventually transferred.

A second consideration is whether a liability is created when financial leases are undertaken. Lease rentals cannot be avoided by management; they are subject to legal sanctions, and hence become liabilities due for payment at some future date. Having established the concept that both an asset and a liability are created, then measurements must be made, then

The Other Side of the Coin

Accounting for Leases

2 – Some Problems of Standardisation

by COLIN RICKWOOD, BCom, MSc, ACCA
Lecturer in Accounting, University of Birmingham



The previous article, by John Glynn, discussed the major issues which have led the Accounting Standards Committee to include consideration of the reporting of leases in their programme. It has already been announced that an exposure draft is to be issued in November 1978, and the discussion that has preceded its publication suggests that capitalisation of financial leases is a highly probable recommendation.

Consistency and comparability are dominant among the arguments concerning the reporting effects of lease capitalisation. The view that the economic reality of a financial lease contract closely resembles purchase of the associated asset financed by debt can be extended to support a need for direct comparison of the financial results of a company using lease finance with one using debt. If the former company capitalises its assets, the balance sheets of both companies will include the associated asset and the long term obligations of both sources of finance are disclosed in a similar manner. The very high proportion of outside finance provided through a lease can result in considerable effects on gearing ratios by the inclusion of lease obligations among the debt capital of a company.

The immediate change in published financial statements resulting from the introduction of a generally applicable standard could produce problems. Some companies may find that suddenly their reported gearing levels may not comply with limitations included in existing debt contracts. It is of note that the FASB provided a transition period for the adoption of its standard requiring all new or renegotiated financial leases to be capitalised, but allowing a period of up to four years before retroactive action was needed which would bring all financial lease obligations on to the balance sheet. Plans for the introduction of a standard practice in the UK will be of some interest.

It is often suggested that serious users of financial information (investment institutions and analysts) will obtain the relevant data concerning a lease whether it is disclosed or not, and that disclosure is unnecessary, here. However, a 1979 American survey found that only a quarter of commercial banks and practically no mutual funds or investment bankers had formal techniques involving lease commitments into pricing considerations, and that variations in valuation procedures were more than a little surprising.

Given that capitalisation of financial leases is to be attempted, three significant measurement problems arise: (a) How much of the lease or property should be capitalised? (b) How should the asset and obligation be measured? (c) What discount rate is important?

FASB offers answers to all three questions, and these answers will be examined, dealing with the discount rate question.

The two discount rates most appropriate for the present purpose are the lessor's incremental borrowing rate and the implicit rate of the lease contract, both of which are given recognition by FASB. The lessor's cost of equity and debt capital need not be related to the lease contract nor its reporting. If it is accepted that, as far as the lessor is concerned, a lease provides him with a close substitute to debt finance, then debt rates will be relevant. On the other hand, equity costs relate to finance of an entirely different risk type as does the lessor's overall cost of capital.

Computing the lessor's appropriate debt rate is not without its problems. First, finding a source of debt finance having comparable risk properties is difficult. A lease carries with it the specific obligations for the lease term holding title to the asset. It may not offer the same opportunity for claiming an excess value of the obligations over the realisable value of the asset. The problem to be faced is one of matching the properties with an alternative debt instrument. Add to this the uncertainties and discontinuities that exist in the market for financial lease obligations as to the balance sheet. Plans for the introduction of a standard practice in the UK will be of some interest.

In reality, a company probably chooses lease financing rather than debt because the debt alternative was associated with an unacceptable cost or was simply unavailable. Comparison with a company using debt instead of lease finance has unknown similarities and differences particularly hypothetical.

A first reading of FASB1 would appear to favour the use of the lessor's incremental borrowing rate by the lessor. The implicit rate is recommended only under apparently restricted conditions, these being:

- (a) when the implicit rate is known; or
- (b) either (a) if the implicit rate is lower than the more normal borrowing rate; or
- (c) if the fair value of the leased asset is below the present value resulting from application of the borrowing rate.

Leasing—

A Distinct Financial Facility Requiring Its Own Accounting Standard

by A. H. MacDONALD,
Deputy-Secretary, Equipment Leasing Association

Ever since Adam Smith, the assets of a business have been divided into fixed assets and current assets. But leasing in some respects disturbs this customary classification, since it is a means of financing the use of a capital asset by means of payments out of revenue.

Though leasing of plant and equipment has been around for quite some time, it is only recently that it has grown to economic importance. It is not surprising that now for the first time there is felt to be a need, in the UK as elsewhere, for a standard of accounting for this facility. The heading to the interesting article on this subject by Mr J. Glynn, MA, FCA, (*The Accountant*, November 1st) referred to delay in publishing an exposure draft, and suggested that this delay was due to the Equipment Leasing Association. But the ELA is as enthusiastic as anybody else for the publication of an accounting standard; the question is rather one of getting that standard right.

That article presented – indeed, was headed – ‘The Case for Capitalisation’. The ELA is among those who feel that the

arguments against capitalisation have considerable weight.

But before turning to those arguments, one point of common ground should briefly but happily be noted. Mr Glynn wrote ‘Opponents of capitalisation are not normally against the disclosure of information relating to leases’. Agreed. So the debate is not about whether to disclose, but about how.

In the earlier part of Mr Glynn's article there were a number of assertions about the nature of a lease. If these assertions are accepted, then the arguments later for capitalisation flow with some logic; but to accept the assertions seems to beg the very question that is in dispute. It seems to the ELA – and to others – that a lease is neither a loan against security, nor a deferred sale in disguise. It is a lease – a distinct financial facility, with its own particular characteristics, requiring its own accounting

standard, and it seems misconceived to force accounting for leasing into the moulds of accounting for more traditional forms of finance by suggesting that a lease is something it is not.

Substance and reality

Arguments based on substance and reality versus form may well be thought to support those who oppose capitalisation. There could hardly be a greater departure from substance and reality than a requirement on a lessee to put forth a balance sheet appearing to show he owns an asset which in fact he does not own – and by inference, a prohibition on a lessor from showing an asset that he does own. If the parties had chosen to enter into a loan against security or a deferred sale, it is not disputed that their accounts should show that: but if they choose a different facility, then their accounts should show that it is different.

Both the substance and the form of a lease preclude the lessee from having a right to ultimate ownership of the leased asset. The leased asset belongs to and will ultimately be disposed of by the lessor. A sharp distinction can and should be made between a lease and an agreement designed to finance the purchase of an asset such as a hire-purchase or conditional sale agreement.

Simple distinction

That distinction can be made without any difficulty, simply by inspecting the agreements. But since the proponents of capitalisation do not propose that short-term hire agreements or operating leases should be capitalised, they are in fact proposing to draw the demarcation line of capitalisation in a different place, which is harder to identify and harder to defend; finance leases are to be assimilated to hire-purchase and conditional sale agreements and capitalised, while other leases are not to be.

Two objections seem to arise. First, a lease is not a hire-purchase agreement: quite apart from the different fiscal implications, the composition of the instalments is different.

In a hire-purchase agreement the instalments are composed partly of capital and partly of time-related charges, but in a lease the instalments are not generally thought of as capable of analysis in this way – they are payments for hire of an asset and are accounted for accordingly.

Secondly, in the range of hiring facilities there is no unambiguous dividing line between finance leases and operating leases. Any line drawn must be arbitrary. Further, that line is to be drawn at the outset of any lease contract on the basis of how the lease is expected to run its course, but the reality could well be different. Several years later, at the expiry of a lease, it could turn out that the residual value of an asset was greater or less than had been expected, so that a lease accounted for all along as one type of lease could in the event be another. These

problems inevitably flow from an attempt to draw a line where no logical line can be.

A further illogicality lies in the fact that there is apparently no proposal to capitalise other long-term commitments related for example to real estate. The implications of that could be very far-reaching, demanding most careful thought: but it could be argued to be the logical consequence.

A difficulty of a quite different nature relates to the fact of legal ownership. That ownership carries with it obligations as well as rights; some obligations can be passed on but others can not (and insurance may be advisable). Clearly such obligations fall differently in a lease from the way they fall in a loan, and it may be thought that those who read and assess balance sheets and accounts should clearly know where such obligations lie.

Ownership

The rights of ownership may also assume importance, not least in the event of default and early termination of a lease. If a lease were recorded as though it were a loan, ie, as though the lessee owned the asset but subject to a charge, there could be an over-estimate of the sums available to other creditors.

There are also problems of capitalisation related to establishing the capitalised value for the leased asset. The calculations are complex. They were examined to some extent in the article *Accounting for Leases 2 – 'Some Problems of Standardisation'*, by Mr C. Rickwood, BCom, MSc, ACCA (*The Accountant*, November 8th) and the only further point to be made is that in making the calculations there are a number of options. But if there are options, what becomes of comparability, which is surely the object of developing an agreed accounting standard? A note will be required.

But if a note is required in any event, it may be thought that this strengthens the case of those opposed to capitalisation, who argue that a note is all that is required. Disclosure by note would avoid most if not all of the difficulties indicated above, but would give the full information about commitments that is needed.

Not whether but how

As stated above, there is happily no dispute about the merit of disclosure. But there are many who think that it is by note that disclosure in the clearest possible way of all the information required to assess a lessee's leasing commitments can be achieved. It will be appreciated that this concept can be applied to all types of lease, which avoids the need to make arbitrary distinctions between one lease and another.

It is not suggested here that all problems can be avoided by avoiding capitalisation. There is, for example, need for careful thought about the proper treatment of leased assets when inflation accounting is adopted. But it is felt those problems will be better faced by accounting for a lease as what it is . . . a lease.

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS

Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

Heron Leasing think you've got better things to do with your money than buy cars.

By leasing cars, you can have that money working more profitably in the business.

Extra cash flows where you want it. (And you can have that cash right now if you sell us your existing fleet on our leaseback scheme.)

You enjoy substantial tax benefits, and significant accounting advantages: add up the virtues of fixed costs, eased budget planning and an extra credit line.

How to manage without cars

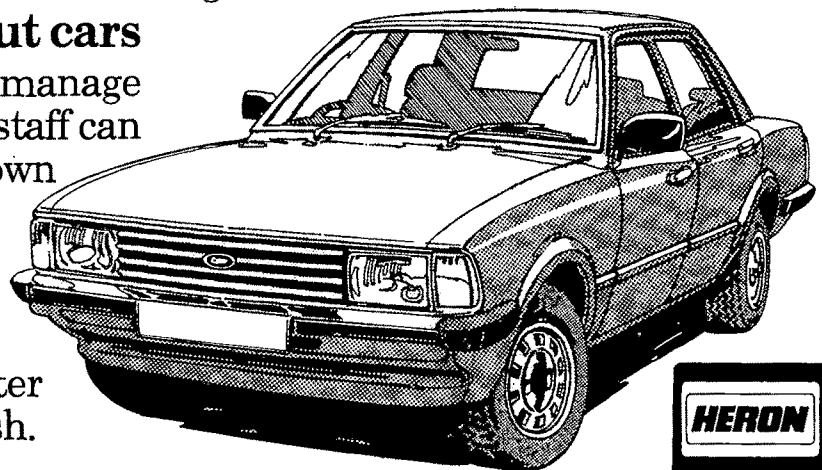
Simple. Let Heron manage your fleet – so you and your staff can get on with managing your own business, confident that Heron's hugely professional Fleet Management Plan is coping with the car burden. Under Heron's tight computer control fleet problems vanish.

Management time is liberated.

There are major cost savings as well.

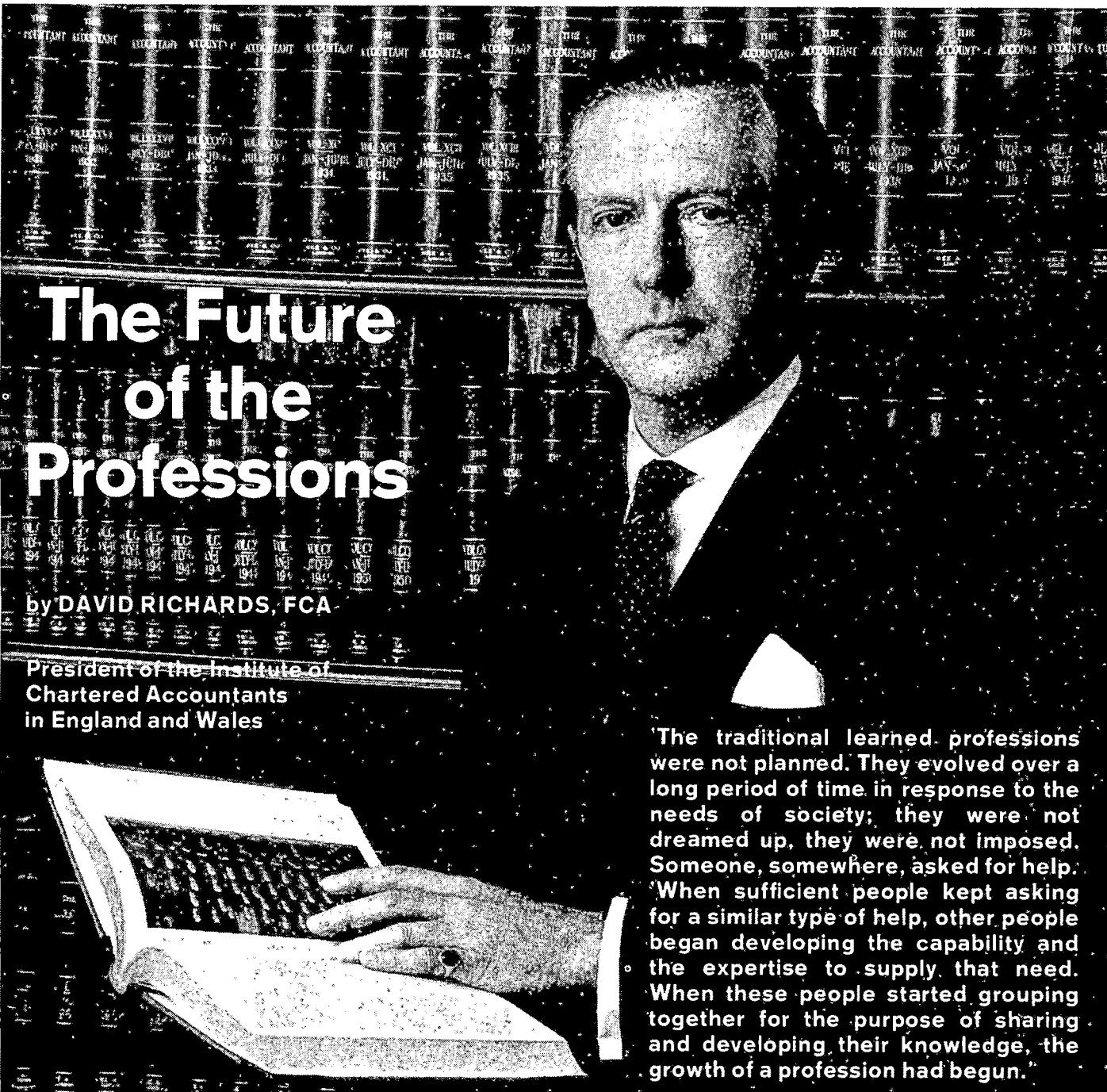
Leasing or Fleet Management, it would pay someone in your organisation to talk to Heron Leasing. Ring David Black on 01-903 4811. Or get your Secretary to clip this advertisement to your letterhead and send it to us.

Then sit back and watch the cash start flowing your way again.



Heron Leasing. It's like money in the bank

Heron Leasing Ltd, Freepost, Wembley, Middlesex HA9 8BR. Telex: 923630.



The Future of the Professions

by DAVID RICHARDS, FCA

President of the Institute of Chartered Accountants in England and Wales

The traditional learned professions were not planned. They evolved over a long period of time in response to the needs of society; they were not dreamed up, they were not imposed. Someone, somewhere, asked for help. When sufficient people kept asking for a similar type of help, other people began developing the capability and the expertise to supply that need. When these people started grouping together for the purpose of sharing and developing their knowledge, the growth of a profession had begun.

For the purposes of this paper, I mean by a 'profession' an entity which has a body of knowledge and expertise built up over a period of time and which its members improve by common effort; an education process for transmitting this body of knowledge to new entrants and for keeping its members up to date; a standard of professional qualifications maintained by examination; a standard of conduct and competence governing the relations of its members with clients, the public and their colleagues; and permission to protect its professional interests, provided it does so in the public interest. A profession will, therefore, have among its attributes the ability to use intellectual processes in a varied range of work; motivation to maintain standards of work and conduct; dedica-

tion to the use of knowledge, skill and experience in the service of every sector of society; and a willingness to accept a position of trust in relation to people who are not normally competent to make informed judgements because of the complexity of the subject-matter in question.

The professions perform a very vital role and go a long way towards fulfilling some very important needs in society. In recent years, in this age of mass denigration, it has become fashionable to point to any real or imagined shortcomings of the professions. They are few, but the professions have a real need to educate the public so that they have a better understanding of the role of the professions, and a better understanding of the professions' contribution to the welfare of the community.

This must be supplemented by them maintaining their credibility, and this will only be achieved by maintaining and

The substance of the inaugural Deloitte Haskins & Sells lecture, delivered recently to an invited audience at the University College of Wales, Aberystwyth.

improving the quality and standards of their work and by responding to the ever-changing needs of the society within which they operate. If the professions fail to do this, their whole future will be in jeopardy, because they will be unable to defend themselves successfully against those who argue in favour of outside control, either by government or by a third party.

The first principal object of the professions must be to serve and to protect members of the public. The second object, which is closely linked to the first, is the maintenance of professional standards. If we fail to serve or to protect members of the public, we lose our credibility and we will lose our *raison d'être*. If we fail to maintain professional standards, we shall fail to serve or to protect the public properly.

How then do the professions serve and protect the public? First, and most obviously, each profession provides its particular service – be it healing the sick, defending the accused, designing our homes, or protecting the investor. Second, the various professions recognise that it is their duty to pass on the cumulative knowledge within the particular profession to new entrants and to keep existing members informed of new developments. This is a particularly important function because, without it, it would be impossible to guarantee continuity within a particular sphere of activity. It is for this reason that we seldom see dramatic changes taking place in respect of professional institutions; changes take place, on the whole, by evolution, not by revolution. Third, they can provide guidance rules for their members.

To take the accountancy profession as an example, in preparing the accounts of any company, there are a number of alternative treatments of the items contained in those accounts. If companies were to be allowed to choose any of the available options, there would be little comparability between the accounts of one company and those of another – even in cases where both companies operated within the same economic sector. It is for this reason that accountants need to set out guidance rules to avoid a wide disparity of treatment in respect of the same item. The development of guidance rules is, without doubt, an important responsibility of the relevant professional body and one which is part and parcel of its duty in educating its members. Protection of the public would not be complete without the setting and maintenance of professional standards.

The increasing complexity of society has not only meant greater recourse to professionals: it has also meant greater difficulty in maintaining professional standards – not only in control over quality of work, but also standards of conduct, standards of ethics, and standards of independence.

It is the duty of the professions to determine the minimum level of professional behaviour that can be expected of their members and to ensure that their members' behaviour does not fall below this standard – bearing in mind that what society will regard as acceptable conduct and as an acceptable standard of work in one generation will not necessarily be regarded as acceptable in another generation. On the other

hand, conduct which is regarded as professionally disreputable in one generation may become acceptable in another; a particularly topical example of this relates to the degree of publicity which is now allowed in certain professions.

It is, of course, little use setting standards unless the procedures exist to enforce them and to monitor abuses. Once a standard has been set, repeated infractions would lead to it being regarded with more than a degree of scepticism. As an example of this, it was the possibility of this happening that led the Accounting Standards Committee recently to publish the consultative document *Setting Accounting Standards* [*The Accountant*, September 28th, 1978]. This deals not only with the nature of accounting standards and the standards-setting process, but also with the enforcement of them. It was right for this committee to examine itself in this way – I am sure that the outcome will result in a strengthening of accounting standards-setting processes.

Those then are the objects of a profession: to serve and protect the public, and to maintain professional standards. How are these objects best achieved?

The general principle at the present time, as we have seen, is for matters pertaining to each profession to be dealt with by the relevant professional body. In general, each body sets the academic standards to be achieved before entry into the profession; each sets the ethical standards to be observed once the person has been admitted to the profession: each sets the standards of procedure to be followed in performing professional work; each investigates possible abuses of any of these standards; each disciplines its members when there are such abuses.

Critics of the professions suggest that it is not in keeping with current social conditions for the professions to have such a degree of self-regulation. Their arguments take two forms:

- (1) The greater complexity of society has meant greater recourse to professionals. As a result, the place of professional men in society has become far more important in recent years; indeed, professional men tend to exert considerable influence over many facets of society. Strength has come from the tendency to group together, and this has been further emphasised by the growing trend towards large professional firms. The influence that these groups or firms can exert is considerably greater than that which could be exerted if their members were acting individually. For this reason, it is argued that the standards to be followed by a professional man and the governance of each profession are too important to be left to the independent bodies, and that they properly fall into the province of National Government.

Of course, a side-effect of this will be to reduce the power of the professions, whilst increasing that of government. But argument No. 1 remains that the professions are now too important to be run by the professions.

- (2) Argument No. 2 says that, while the professions in the

past have been responsible for setting their own standards and for disciplining their members, they have not done it very well. An important responsibility of the professions is to ensure that people who want to join the profession and who possess adequate intellectual ability should be able to do so. However, in recent years a certain amount of discussion has taken place both in respect of the difficulties in joining a profession and in respect of the difficulties in practising a profession once a person has been admitted. Secondly, there have been abuses of professional standards (relatively few) which have been given a great deal of publicity. The effect of this has been to bring about much adverse comment and consequently, to bring the relevant profession, and professions in general, into disrepute. Thirdly, there has appeared to be a certain amount of reluctance to impose sanctions where professional standards have been abused – stemming in some cases from the power of the culprit, in others from the absence of appropriate sanctions, and yet in others from an inability to enforce the sanctions once they are imposed.

In order to see whether there is an answer to these arguments, we must consider whether there are advantages in the professions being run by separate independent bodies.

I think that the principal advantage rests in the very concept of independence itself. The professions are not controlled by government, or by either capital or labour, but exist to serve every sector of society. Their members are bound by codes of conduct designed to maximise the advantage to the public, rather than merely the advantage to the profession itself. By being independent, they are able to take a detached view. Moreover, by being independent, they represent an impartial medium between governments and the public. One of the principal attributes of the professional man has always been his ability to remain impartial.

Professional independence has two very important side-effects. First, it means that individuals and companies can consult a member of a profession in the knowledge that the

information will be treated confidentially; consulting a professional does not mean automatically consulting the government or any other third party. Secondly, this independence leads to great adaptability; professional bodies can react to change far more rapidly than can government bodies.

The third important advantage stems from the element of competition between professional men and professional firms. It is important that this element of competition is preserved for two basic reasons: (a) it allows a choice as to whom the clients consult, and (b) the fact that there is a choice available to the public serves as an important motivator for members of the profession to improve their own standards. There is no better motivator than competition, and any form of State or third-party control of a profession would be likely to remove this very important element.

There are considerable advantages in the professions remaining independent, and I believe these advantages heavily outweigh the contrary arguments.

In examining the role of the law within the framework of independent professions, it is important to appreciate in this area that, as already established, one of the main advantages of professional independence is that this provides greater adaptability. I believe that the role of law in this area is to provide the framework for the establishment of professional bodies, giving such bodies the necessary powers to fulfil their duties satisfactorily. In the main, this is the present situation, although there has been an increasing tendency towards government intervention.

It is not for the law to lay down the detailed rules; this will only make it more difficult to react to change when it occurs.

It may, however, be up to the law to lay down penalties, because it is often erroneously thought that the professions are some sort of regulating agencies. They are not, and never have been, except in respect of their own members.

Many of the responses to *Setting Accounting Standards* expressed concern about the seeming inability of the profession to force their clients to comply with accounting standards. This is a difficult area in which to have fair regulation: we can act where our members are concerned and we hope that the Stock Exchange will act where non-accountant directors are concerned. We intend to set up a liaison committee with the Stock Exchange to monitor and control this matter – a further example of our ability to react quickly in areas where abuse occurs.

One development which may have an impact on the professions is the changing attitude of the public towards governments and institutions, both public and private. Improved investigative reporting has made the public more aware of their work and also of cases of misconduct and incompetence. In the USA, particularly post-Watergate, the result of this has been that government, politicians, corporations and virtually all of society's institutions have come under intensive scrutiny and attack.

This has been copied here, and has led to a demand for

The Future of the Professions



accountability at all levels of our society. This has some importance in the context of the UK professions because many of them are engaged in expressing opinions on the reliability of information emanating from these sources, and in the future we may, for instance, be required to report on such things as appropriate conduct, the effectiveness of programmes affecting the public interest, the efficiency of internal control, and the general efficiency of enterprises.

Another development that may affect the professions concerns the evolving patterns and methods of conducting business domestically and internationally. There has been a concentration of business into a number of large companies which has made them individually more powerful and influential even than some sovereign states. These companies are becoming more international and often have substantial interests in many different countries.

To meet this tendency towards internationalism, the professions will have to harmonise their standards on an international scale as a matter of urgency.

One side-effect of this trend towards size will be to force professional firms to get larger, and smaller firms may feel that they are being squeezed out. This is already happening to some extent in the accountancy profession, where there is a widening gulf between the interests of those firms which operate purely on a local or domestic basis and the large firms that are increasingly expanding their international practices and operations.

The problem is likely to be further emphasized by the work of the EEC Commission. Large professional firms will be better equipped to deal with European standards of conduct and the right to operate in any member state within the Community than small firms. One inherent danger here is that as professional firms get larger, members of the public may feel that they are not receiving such a personal service as they have in the past. It is, to my mind, an essential element of a profession that it gives a personal service.

Another factor that is likely to become increasingly important in the longer-term stems from the growing tendency towards the polarisation of capital and the organisation of labour. As I have said, the professions are independent of capital and labour – but they owe a duty to both.

This is not to say that they are not affected by major structural changes in respect of capital and labour. In particular, the organisation of labour poses special problems for the professions. The growth of 'closed shop' arrangements between employers and recognised trade unions is forcing professionally qualified people to become members of non-professional bodies – composed overwhelmingly of people with very dissimilar interests and objectives, who are not members of professional bodies and who are not governed by codes of professional conduct.

If those are some of the factors that are likely to affect the professions in the future, how are the professions themselves likely to develop? Moreover, what action must be taken by the professions in order to ensure that they can cope with those factors and continue to maximise their service to the public?

Certainly, one of the most important things that they must consider is co-operation. The forces of capital have joined together to defend themselves; the forces of labour have joined together to defend themselves. It may be that only by co-operation will the professions be able to exercise an effective voice in the future and be able to defend themselves from excessive intervention.

Co-operation, is, of course, more difficult for the professions than it is for capital and labour. In covering a very wide spectrum of interests, professional people differ considerably in background, training and types of work. Some, for example, are in private practice: some are company directors: others are salaried employees in industry, Universities or government. However, these difficulties can, and must, be overcome because the professions are going to need all their collective strength if they are to defend the middle ground which the professions have traditionally occupied, and from which they have been effective in defending the rights of individuals.

Joining their forces, however, is not a complete answer. Each profession must have as its principal objective the maintenance of its own credibility in the face of developments and changes in the needs and structure of society.

There must be a fundamental review of the ethical rules of the various professions to bring them in line with the requirements of modern society, and any restrictive practices they exercise must be shown to be clearly in the interests of the public. Strenuous efforts must be made to raise standards in the quality of professional work; this will involve strengthening the requirements within professions for continuing professional education, so that the members are kept up to date. And each profession must develop its own technical standards whether these are applied domestically or internationally.

The professions must have sufficient power to discipline their members where they have failed to give a proper service to members of the public.

We, in the accountancy profession, have just obtained such powers from our members [the Cross-Greenside joint disciplinary scheme] – a most significant advance in professional self-regulation.

Lastly individual professions must develop internationally, or at least within trading communities. This will facilitate, *inter alia*, the harmonisation of international standards. If some method is considered best in one country, but is prohibited in another, this must raise questions in the minds of the public as to the credibility of the profession concerned. We must make efforts to our future roles, standards and codes of conduct as international bodies rather than as parochial ones.

I have tried, in this paper, to outline the objects of a profession and to discuss the ways in which these objects can be achieved. The professions must take the lead in setting the new rules that will become necessary, and we must defend ourselves against threats to our integrity and our independence.

This vital responsibility rests with us, and our freedom and, I believe, the freedom of the public depends on our success.

Picking Up the Community Tab

The campaign for a reduction in the British contribution to the Community budget has been going on for well over a year now. It was not a major issue in the May general election, as both parties were agreed that cuts were necessary. However, since then the Prime Minister has been pressing the case for reform on all possible occasions.

Mrs Thatcher's aim is to come to terms with the other members in a once-for-all settlement at the Dublin Summit at the end of November. Once that is done there will be nothing in the way of demonstrating Britain's commitment to Community objectives. In her Winston Churchill Memorial Lecture in Luxembourg Mrs Thatcher underlined the manifest inequity of a situation in which Britain, the third poorest member, should be making the largest annual contribution to the common budget.

'Unjust and indefensible'

The difficulty is that while a payment of £1 billion next year, rising to £1.5 billion in 1983, appears in Mrs Thatcher's words to be 'demonstrably unjust and politically indefensible' to pro- and anti-marketeers alike on this side of the Channel, the rest of the Community, preoccupied with their own affairs, assume it is just the continuation of the claim that Britain is a case for special treatment.

After all, the Wilson Government made great play of the so-called 're-negotiation' of the treaty carried out by Mr Callaghan followed by the referendum which reaffirmed UK membership. This was only four years ago and since then the complaints about the total budget contribution and the level of spending on the CAP have mounted to a crescendo. The other members are unlikely to look kindly on suggestions that a re-negotiation of Britain's terms of entry should be held at four-year intervals, like the Olympic Games.

This is not to say that nothing can be done, but democracy being what it is, the British electorate is convinced that they are paying too much, while the electors in the other member states fully believe

this is all a British plot to get them to pay our share. This being so, it is unlikely that a cut-and-dried plan will be produced in Dublin.

However, the furore, generated by the Prime Minister and other members of the Cabinet, has been such that the Commission has been moved to draft proposals for reducing Britain's budget share, and the European Parliament's budget committee has taken a step in the right direction by proposing a cut in the size of the budget, largely in the amount going to the CAP. In the interval before the Dublin meeting there will be much coming and going at Westminster and Brussels with schemes, both for increasing UK receipts from the EEC budget and for reducing her contribution to it.

Optimists, searching for hopeful signs for the future, point out that spending on the CAP will soon exceed permitted levels, and the whole edifice will then either collapse or have to be re-negotiated. But that will not happen in the immediate future and may be prevented by cuts in spending, resulting from British protests. A week may be a long time in Westminster politics, but infinity clearly begins in Brussels.

UK Urges Help for Coal

Britain has proposed that the EEC should spend 250 million units of account (about £160 million) annually on subsidies to encourage coal production in the Community. In a letter to Dr Guido Brunner, the Energy Commissioner, Mr David Howell, the UK Energy Secretary, suggested that the money should be divided between Community coal producers in proportion to their annual investment in the industry.

Britain, with its high level of investment in coal production, would stand to do well out of such an arrangement, as would West Germany, the only other EEC country exploiting substantial coal reserves.

The proposal has had a distinctly mixed reception, with some EEC Energy Ministers ill-disposed to take decisions on measures to expand the role of coal.

Mr Howell's demand goes some way beyond proposals advanced by the Commission for a programme of low interest loans to coal producers. While West Germany and some other countries appeared favourable to his initiative, reservations were expressed by France and Italy.

The Commission's proposals are part of a package aimed at breaking a deadlock in the Council over earlier plans to provide 100 million units of account a year to subsidise trade in power station coal mined in the EEC.

This was discarded after Italy linked it to a demand that other governments shoulder some of the cost of reducing Italy's excess oil refinery capacity.

EEC Considering Chunnel

The EEC may provide up to 20 per cent of the estimated £600 million cost of a tunnel under the Channel, according to officials of the EEC Commission in Brussels. The rail-only tunnel project, details of which were recently presented to Mr Richard Burke, EEC Transport Commissioner, has already been agreed in principle between British Rail and SNCF, the French State railway authority. It needs the approval of the British and French Governments, and would also have to be passed by the EEC Council of Ministers, which has still to adopt the Commission's transport infrastructure plan.

The joint project envisages a single-track tunnel beneath the Straits of Dover with a probable annual capacity of 8 million tonnes of freight and 8 million passengers, with provision for eventual enlargement. Cross-channel freight and passenger traffic now is about twice the tunnel's proposed capacity.

Under the transport development programme proposed by the Commission the Channel project would be eligible for substantial Community funding.

The rail tunnel is much the cheapest of the various Chunnel and bridge schemes that have been drawn up.

It compares favourably with the estimated £2 billion cost of the last Calais-Dover tunnel project, work on which ended five years ago.

'Nothings' Issue for the Chancellor

The controversial area of 'nothings' – legitimate business expenditure, particularly in the formative period of an enterprise, not at present ranking for tax relief – has been selected by the Confederation of British Industry as a prime subject of recent technical representations to the Chancellor of the Exchequer in anticipation of the 1980 Budget.

Welcoming the publication of a recent Revenue consultative paper in this area, the CBI document continues: 'The main point about these proposals is that they only relate to one aspect of this problem – the cost of raising loan capital. Many other aspects have still to be dealt with.'

'In a world where businesses need every encouragement to compete effectively, now is the time to tackle this problem with legislation which will permit as a deduction all bona fide expenses incurred by a person in his business'.

The Confederation is also pressing strongly for commercial buildings to qualify for capital allowances – already accepted in principle by the 1951 Commission on the Taxation of Trading Profits, by the Radcliffe Commission in 1962 and the Sandilands Committee in 1975. Against the argument of successive

governments that the total cost of such a relief would be unacceptably high, it is pointed out that the precise revenue loss has yet to be quantified, and that it would in any event be largely offset by the stimulus given to the commercial and services sector and to the construction industry.

Also featured in these representations are relief for losses on foreign currency borrowings (a reference to the Inland Revenue consultative paper of 1976); group relief for consortium companies; and the 'grouping' of capital losses, since the group relief provisions in Part XI of the Taxes Act 1970 do not extend to capital losses.

The CBI also comments at length on defects in the present Budget legislative procedure, which at present allow little opportunity for outside experts to give the benefit of their advice either on broad economic measures or on the practicality of operating the more detailed provisions. On major tax proposals, the CBI favours the use of a Parliamentary Select Committee, either standing or *ad hoc*, preceded by a Green Paper, and points to the Select Committee on the reform of corporation tax as a successful example in this area.

Policies for Children

The Board of Inland Revenue has given further consideration to this year's Statement of Practice (SP 4/79, *The Accountant*, March 15th) concerning insurance policies taken out in the names of children under 12 years of age. While, in general terms, this statement continues to reflect current Revenue practice, the Board is prepared to relax its application to 'industrial branch' insurance.

In view of the special problems of industrial branch business, the Inland Revenue will not contest life assurance premium relief on premiums on all

industrial branch juvenile policies and similar policies issued by registered Friendly Societies as part of their tax exempt business, subject in each case to the limit imposed by paragraph 11 (3) of Schedule 4 to the Finance Act 1976. Where an ordinary branch policy other than a Friendly Society policy referred to above is taken out on the life of a child and is assigned to him or he possesses or acquires the whole interest in the policy, relief on premiums paid by the child may be allowed (provided that the other conditions are satisfied):

(a) where the policy was taken out after the child had attained age 12;

(b) where the policy was taken out prior to March 1st, 1979, and before the child attained age 12; or

(c) where the policy was taken out on or after March 1st, 1979, before the child attained age 12 and he has attained that age.

Further copies of this statement, reference SP 11/79, are available free on request from the Public Enquiry Room at Somerset House.

Jurisdiction to Discharge Assessment

Income tax – General Commissioners – Jurisdiction – Sub-contractors in the construction industry – Taxpayer company making payment to uncertified sub-contractors without deduction on account of income tax – Collector not exempting taxpayer company from liability to pay the amount that ought to have been deducted – Assessment made on taxpayer company in respect of the amount – Commissioners discharging assessment on ground that failure to deduct had arisen through error made in good faith – Whether Commissioners had jurisdiction to discharge assessment – Finance Act 1971, sections 29, 30 – Taxes Management Act 1970, section 50 (6) – Income Tax (Payment to Sub-Contractors in the Construction Industry) Regulations 1971 (SI 1971 No 1779), regulations 6 (3), 11 (1).

In the year 1973–74 the taxpayer company made payments to two individual sub-contractors for construction work without making the deduction required by the Finance Act 1971, section 29. The sub-contractors had produced exemption certificates under section 30 of the 1971 Act when first taken on, but these had expired by the time the payments were made.

The Collector of Taxes then considered whether to make a direction under regulation 6 (3) of the Income Tax (Payments to Sub-Contractors in the Construction Industry) Regulations 1971 exonerating the taxpayer company from liability in respect of the sum it had failed to deduct. After due consideration, however, he declined to make such a direction. In May 1977 the Inspector of Taxes assessed the taxpayer company under regulation 11 (1) of the 1971

Revenue Report

regulations to recover from it the amount of the deduction it should have made.

The taxpayer company appealed, contending, *inter alia*, that its error in not noticing that the sub-contractor's exemption certificates were not within date when the payments were made arose through lack of attention to clerical work on the part of the foreman at the construction site and that accordingly the assessment should be discharged. The General Commissioners discharged the assessment on the ground that the taxpayer company had taken reasonable care to comply with the requirements of the law and that the failure to deduct had

arisen through an error made in good faith. The Crown appealed.

Held: There was nothing in the provisions of the 1971 Act or section 50 (6) of the Taxes Management Act 1970 which enabled the General Commissioners to arrogate to themselves the discretion to remit taxes, which was conferred only on the Collector of Taxes, and it followed that the General Commissioners had no power to discharge the assessment made on the taxpayer company. The appeal would accordingly be allowed.

Slater (Inspector of Taxes) v. Richardson & Bottoms Ltd ([1979] 3 All ER 439, Ch.D.).

No 'Profession' as Bookmaker

The appellant, the Bookmakers Protection Association (Southern Area) Ltd, was formed to improve the image and to protect the best interests of bookmakers. Before the Second World War, one of its main functions had been to combat race-course gangs and racing malpractices, but recently its primary role was to ensure that its members remained in business. It disseminated information on legislation which affected bookmakers, advised members on how to run their businesses profitably, provided an arbitration service for settling disputes, allocated pitches at race meetings, distributed lists of runners to racecourse bookmakers and hired out membership plaques.

Although the articles of the appellant did not restrict membership to bookmakers, the directors had absolute discretion in this respect and membership was in fact limited to reputable bookmakers operating in London and the Home Counties. Similar organisations existed in other parts of the country, and all were affiliated to the National Bookmakers' Protection Association Ltd ('the National Association').

In 1978, the appellant received an annual subscription of £16 from each starting-price member, and £14 from each racecourse and greyhound track member. In addition, members were charged £1 for each licensed betting office other than their first. The

appellant then paid an affiliation fee of £7 for each member to the National Association.

The Commissioners of Customs and Excise claimed that such subscription income received by the appellant was taxable under section 45 (2) (a) of the Finance Act 1972 as amended. This provides that the provision by an association of facilities or advantages to its members in exchange for a subscription constitutes the carrying on of a business.

The appellant argued that the provision of such services constituted exempt supplies under group 9 of Schedule 5, which exempts supplies by certain associations to their members where the supplies relate only to the aims of the association and, apart from a membership subscription, are available free. The appellant contended that by virtue of item 1 (c) of group 9 it constituted an exempt association since its 'primary purpose' was 'the advancement of a particular branch of knowledge, or the fostering of professional expertise connected with the past or present professions or employments of its members'.

The Commissioners rejected this on the ground that the principal activities of the appellant were the promotion of the image of bookmakers and the dissemination of information, neither of which fostered bookmaking expertise. Further, bookmaking could not be described as a profession.

Alternatively, the appellant claimed that if the supplies were not exempt, there should be a reduction in tax as the charge had been calculated on the total subscription income, in that deducting the affiliation fee paid to the National Association. This had been collected by the appellant as an agent and thus was not taxable in its hands. The Commissioners rejected this argument because there was no evidence of an agency.

Rejecting the first submission of the appellant, the Tribunal considered the construction of item 1 (c) of group 9. The 'primary purpose' of an association was not synonymous with its principal objects and it was necessary to apply a subjective test to determine what was considered to be its major function by its directors and members. The provision of advice and help to members in connection with their day-to-day business could not properly be described as 'the advancement of a particular branch of knowledge' since such an expression connoted the advancement of a section of an art or a science. Nor could such assistance be said to 'foster' the 'professional expertise' of the members as bookmakers. The expertise required by a bookmaker comprised the making and keeping of a book, which expertise was gained by experience and not taught by the appellant. The appellant advised merely on rules and regulations.

It was unnecessary to consider the meaning of 'professional' in connection with expertise, but the Tribunal felt that the expression should be given its strict meaning of expertise in the carrying on of a profession. No reasonable man, they held, would regard bookmaking as a profession.

The Tribunal also rejected the second submission of the appellant, the fees paid by its members constituted membership subscriptions, which were taxable. Although the affiliation fee paid by the appellant to the National Association was fixed by reference to the subscription income of the appellant, no part of the subscriptions related to the facilities of the National Association, and no member of the appellant was a member of that Association.

Bookmakers Protection Association (Southern Area) v. Customs and Excise (LON/79/129, October 22nd).

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

	Basic	Concessional
ALL HEADINGS except Situations Wanted Minimum covering 5 lines	£6.00	£4.00
per line (5 words) in addition	£1.20	80p
SITUATIONS WANTED (including Training Contracts Required) Minimum covering 5 lines	£4.50	£3.00
per line (5 words) in addition	90p	60p

SEMI-DISPLAYED

All headings: per single-column cm (minimum 2 cm single-column)	£6.00	£4.00
---	-------	-------

FULLY-DISPLAYED

All headings: per single-column cm (minimum 5 cm single column)	£6.75	£4.50
---	-------	-------

Box numbers if required – Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * BOOK-KEEPERS
- * ACCOUNTS CLERKS
- * WAGES CLERKS
- * MACHINE OPERATORS

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

AUDIT MANAGER C. LONDON To £11,500
ACA/FCA required for one of the main audit groups of a progressive medium sized firm. Excellent prospects for one's own making.

PA/MANAGER CITY £10,000+
Fourteen Partner firm requires an able and keen ACA/FCA to work for one Partner on smaller companies and partnerships, where financial and tax advice are of prime importance.

COMPUTER AUDIT C. LONDON £10,000
Twenty Partner practice needs an enthusiastic computer specialist to work in a small team headed by a Partner.

ASSISTANT TECHNICAL MANAGER C. LONDON To £10,000
Medium sized National firm seeks an ACA with some technical or training experience to assist in developing future standards to the highest level.

PA TO PARTNER C. LONDON £9,000+
Eighteen Partner practice needs a capable Personal Assistant to handle a workload of Audit, Accounting and Tax. Special investigations and Management Services occur as a matter of course.

PROSPECTIVE MANAGER C. LONDON To £9,000
Recently Qualified ACA, with medium sized firm experience, sought by Three Partner firm to act in a managerial capacity. Excellent prospects.

PA TO PARTNERS CITY & WEST END £8,500

AUDIT SENIORS To £8,500

NEWLY QUALIFIED To £7,500

FINALISTS To £6,000

For further details on these and other vacancies in London, the provinces and overseas...

Contact John R. Ellis, FCA on 01-405 3499

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499

PROVINCIAL OFFICES

SOUTH MANCHESTER – Audit Senior – £5,000+
Developing smaller practice with excellent client range –
MANCHESTER £6,000+

– A.C.A. Above-average prospects with well-known international practice –

MANCHESTER – Tax Senior. £6,200

Good opportunity to develop company tax experience –

Ring Manchester office: (061) 834 9733

WEST WALES c. £6,250

– A.C.A. Partnership prospects within 18 mths –

NEWPORT c. £5,250

– Personal Assistant to Partner. Finalist/A.C.A. –

SOUTH GLAMORGAN c. £6,000

– A.C.A. Partnership prospects 3–4 years –

WEST GLAMORGAN £Neg

– Finalist/A.C.A. Thriving practice –

CARDIFF c. £5,800

– Newly qualified (Graduate). International firm –

Ring Cardiff office: (0222) 371 446

SOLIHULL to £5,000

– Finalist/Semi-Senior. Broadly varied work –

WEST BIRMINGHAM c. £6,500

Young A.C.A. Specialisation – tax or computers –

SW. BIRMINGHAM c. £5,500

– Suburban practice, plenty of variety and opportunity –

EAST BIRMINGHAM c. £5,250

– P.A. to Partner. Unqualified, aged 22–50 –

Ring Birmingham office: (021) 643 6201

WEST YORKSHIRE to £8,500+ Car

– Audit Manager. National firm –

HALIFAX c. £7,000

– Young Partner Designate. Small but expanding practice –

LEEDS to £8,500+ Car

– Systems Auditor. Public company –

YORKSHIRE A.C.A./Finalists. to £5,500

– Various openings, many including study benefits –

BRADFORD c. £10,000+ Car

– Senior Project Accountant. Public company –

Ring Leeds office: (0532) 38384

NOTTINGHAM to £6,000

– A.C.A. for training in corporate tax –

NOTTINGHAM to £6,000

– A.C.A.'s Audit-General services –

NOTTINGHAM – A.C.A. Training, national firm – c. £7,000

NOTTINGHAM c. £4,000

PE1 Semi-Senior, both local and national firms –

Ring Nottingham office: (0602) 582939

EAST MIDLANDS – Partner Designate – £9,000

EAST MIDLANDS – Tax Manager – £9,000

LEICESTER – Audit Supervisor – £7,500

LEICESTER – Newly Qualified – £6,300

LEICESTER – Personal Tax – £6,250

LEICESTER – Experienced Senior – £5,000

Ring Leicester office: (0533) 542 693

SHEFFIELD – Young A.C.A. International firm – £6,000

DONCASTER c. £6,000

– Partner's Assistant. General Practice –

Ring Sheffield office: (0742) 738775

WOLVERHAMPTON to £6,500

– Qual/Unqual. Varied practice –

DUDLEY to £5,000

– Part Qual. Limited company work and taxation –

WEST BROMWICH – Personal Tax Assistant – £5,000

WARLEY – Assistant to Partner – c. £6,000

Ring Wolverhampton office: (0902) 771 975

Accountancy Personnel

Recruitment Specialists

to the Profession

What do New Zealand and South Africa have in common?

New Zealand and South Africa are two widely differing countries. For accountants, however, they have in common an extensive range of clients, the chance to gain valuable technical experience, wide opportunities for travel, first-class sport and recreational facilities, beautiful scenery and a warm inviting climate.

In New Zealand we have openings in several cities, including Wellington, Auckland and Christchurch. In South Africa you will probably be in our Cape Town or Johannesburg office.

In both areas, we offer good career prospects, competitive salaries and generous re-location allowances. The initial contracts are for two years and on successful completion you will have the chance to renew or to return to continue your career with the UK firm.

Interviews with partners from these countries will take place in London in late November/early December. Please write in the first instance with full details of your career to date to: John Patrick, or phone him on 01-606 4040.

**Coopers
& Lybrand**

Abacus House,
Gutter Lane, Cheapside,
London EC2V 8AH.

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

**Salaries
£4,000-£10,000**

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates
Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891
Licensed in accordance with the Employment Agencies Act.
Our service to applicants is personal, confidential and free

INDUSTRY • PRACTICE • COMMERCE

AUDIT SENIORS AND SEMI-SENIORS

We are a well-established firm of Chartered Accountants in Harrow and require qualified staff to supervise larger private company and partnership audits and also to finalise the work of junior staff. The work is of wide and interesting variety and also includes corporate taxation and accountancy.

We will pay excellent salaries to successful applicants of the right calibre.

Enquiries are also invited from applicants in final stages of qualifying.

Please telephone **W. Colletts at 01-427 9741**.
or write to:

Nunn Crick & Bussell
13 St John's Road
Harrow
Middlesex
HA1 2DF

Accountant/Office Manager

CITY £9,000-£10,000

Our clients, a medium-sized and growing City firms of Chartered Accountants, wish to appoint a highly capable person, with a good accountancy background, for this position which carries a considerable amount of responsibility.

The responsibilities of the successful applicant will include controlling the firms accounting system (with a cashier/book-keeper for the day to day working), supervision of the time records and their related input to the in-house computer, management of the administrative staff, maintenance and purchase of the office fittings and equipment and generally overseeing general administration.

Because the Partners consider this to be a key position within the firm they consider it to be important that candidates have a strong professional accountancy background.

3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates
TAXATION & ACCOUNTANCY RECRUITMENT
CONSULTANTS

WESTWARD "HO"

£5,250 to £8,000
**QUALIFIED, EXPERIENCED
OR FINALIST**
15 OPPORTUNITIES
DORSET, SOMERSET, WILTS

DORSET

W170 Small town firm within travel of New Forest and Dorset/Hants coast need mature Manager expert in incomplete records and small practice taxation - **c. £7,500**

W156 Country town practice needs A.C.A. as Department Manager with good prospects of advancement to partner - **c. £7,000**

W126 Chartered Accountants Bournemouth require young A.C.A. for all round practice work with bias towards limited company audits and accounts **to £7,000**

W165 Accountant with Dorset services group established and now rapidly expanding requires qualified or Part II finalist seeking first appointment in commerce **to £6,000**

W69 Experienced Manager for coastal town firm to specialise in general practice work including hotels, farms and sole traders. Age 30-50 - **c. £6,000**

SOMERSET

W191 Chief Accountant for manufacturers with post-qualification experience in manufacturing preferred. Good prospects of advancement within expanding group - **c. £8,000**

W152 Manager with leading market town firm well experienced in private company incomplete records and taxation, computer bureaux knowledge an advantage - **c. £7,500**

W34 Senior with independent firm currently with three thriving offices in West Country and young progressive partners willing to give considerable scope and opportunity for competent person seeking small practice specialisation - **c. £7,000**

W150 Mobile Auditor for West Country audits of Somerset based office also some small accounts work, suit young A.C.A. or experienced person 30-45 - **c. £6,500**

W196 Small town Chartered Accounts need P.A. to partner for their expanding Somerset/Avon borders office. Experience in farms and estates an advantage - **c. £6,000**

WILTSHIRE

W65 Young qualified person for expanding subsidiary of North Wilts public group especially suited to young person seeking first taste of commerce - **c. £7,000**

W125 Audit senior for leading North Wilts firm preferably qualified for 1/2 years, seeking more audit based work - **c. £6,750**

W148 Audit Senior recently qualified or well experienced for group of local audits involving public quoted group and including private family companies and some general practice work offering broad range of experience in recently opened office - **c. £6,500**

W122 Accountancy Senior for expanding Wiltshire town firm able to control group of clients without close partnership supervision not necessarily qualified - **c. £6,250**

W149 Audit Senior Wilts/Avon borders, suit young finalist or more mature person, with expanding office offering audit and general practice experience - **c. £5,250**

WESSEX CONSULTANTS



2 PETER STREET
YEOVIL, SOMERSET
0935-25996/25183





Topcare

Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

AUDIT

AUDIT MANAGER, EC1 to £12,000
Qualified A.C.A./A.C.C.A. with previous managerial experience is sought by this medium/large firm of high repute.

P.A. TO PARTNER, EC2 to £10,000
Very suitable post for Audit Senior with 3/4 years post qualification experience. Expanding medium-sized practice.

AUDIT MANAGER, EC4 c. £10,000
Opportunity to specialise with this substantial, very well organised practice.

MANAGER, WC1 c. £9,000
Our clients are a small/medium-sized firm with very interesting work patterns. They seek someone with approximately 5/6 years' experience.

SUPERVISOR, EC4 to £8,500
To manage small businesses department of old established medium-sized practice in the City.

P.A. TO PARTNER, EC2 c. £8,500
Plenty of previous experience essential for this post with small friendly practice. Not necessarily qualified.

SUPERVISOR, WC1 c. £8,500
Not necessarily qualified but plenty of auditing experience required by this substantial firm in Holborn.

ASST. MANAGER, EC2 to £9,000
Due to a recent amalgamation this medium-sized firm are seeking a recently qualified lady/gentleman to assist one of their Audit Managers. This is a very progressive post.

PARTNER (DESIGNATE), W1 £Good
Small general practice seeks a recently qualified A.C.A. who has the ambition and "flair" to become a partner in the near future.

P.A. TO PARTNER, W1 c. £8,500
Very suitable post for a recently qualified A.C.A./A.C.C.A. wishing to gain all round experience.

NEWLY QUALIFIED/FINALISTS to £8,500
Too many posts to give individual details. Whether you seek to join a small, medium or large International firm or are not sure what is the best move to make, we will be most happy to advise and assist you.

TAX

ASST. MANAGER, SW1 c. £8,000
To deal with predominantly personal tax although some corporate knowledge would be useful.

MANAGER, WC2 c. £9,000
Excellent prospects for well experienced Personal Tax Manager with this medium-sized, old established practice.

ASST. MANAGER, W1 c. £8,000
Very promising future prospects exist for the selected candidate. Mainly personal taxation. Very varied work.

ASST. MANAGER, W1 to £9,500
Preferably A.T.I.I. to deal with mainly corporate taxation with this medium-sized practice in the Marble Arch area.

SENIOR/MANAGER, EC4 £8,500 +
Not necessarily qualified but good knowledge of both personal and company taxation essential.

SENIOR, EC4 to £7,500
Large practice requires someone who is well experienced in dealing with their own portfolio of personal tax cases.

SENIOR, WC2 £7,000 +
International practice seeks a Tax Senior who is interested in making progress within the firm. Preferably A.T.I.I. or student.

SENIOR, WC2 to £8,000
Several years experience of personal taxation required although knowledge of a certain amount of corporate tax would be most useful.

SEMI-SENIOR, WC2 c. £6,000
Opportunity to join a very friendly firm within a short distance of Charing Cross and deal with a variety of personal tax cases.

ASSISTANT, EC4 £5,500 +
Large International firm. Excellent training facilities.

JUNIOR ASST. WC1 to £5,000
Suitable post for ex-T.O. or someone with a year or two's professional office experience.

TRUST STAFF

ASSISTANT, WC2 c. £6,000
Large National firm seeks someone with knowledge of trust accounts.

TRUST MANAGER, WC2 £7,000 +
Good knowledge of both trust accounting and personal tax is required for this post.

SENIORS (City and West End) to £7,500
Many posts available for Trust Accounting Seniors in all parts of London and with all sizes of firms.

PROVINCIAL

AUDIT

Aylesbury - Senior. A.C.A. - £7,250
Bournemouth - Senior. A.C.A. - £NEG
Bradford - Mng. A.C.A. - c. £7,000 + car
Bromley - A.C.A. P/ship - to £9,000
Bury St Edmunds - Senior - c. £5,750
Derbyshire - Senior - c. £7,000
East Grinstead - Mng. - c. £6,000
Edinburgh - Seniors - c. £6,000
Farnham - N.Q. A.C.A. - £NEG
Glasgow - Qual Senior - £5,500 +
Helston - Senior. A.C.A. - c. £5,750
Ipswich - A.C.A. or Fnlst - to £5,750
Kettering - Mng. A.C.A. - to £9,000
Leatherhead - Semi Senior/Senior
Leeds - Unqual Senior - c. £4,500
Leeds - A.C.A. Senior - £NEG
Luton - Semi Senior - c. £5,000
Maidstone - Semi Seniors - £NEG
Newcastle - Assist Mng. A.C.A. - £7,000 +
Northampton - Qual Senior - c. £6,000
Oxford - Senior. A.C.A. - to £8,000
Portsmouth - N.Q. A.C.A. - £NEG
Rye - P.A. to Ptn. P/ship - c. £8,500
Southall - Mng. P/ship - to £8,000
Southend - P.A. to Partner - c. £7,000
Swindon - Senior. A.C.A. - to £7,000
Trowbridge - N.Q. A.C.A. - to £6,500
Watford - A.C.A./Fnlst - to £6,500
Weybridge - Seniors - to £9,000
Weybridge - Semi Seniors - c. £5,500
Woking - Trainees - c. £3,000
Yeovil - N.Q. A.C.A. - to £6,500

TAX

Beaconsfield - Personal Tax - £5,000 +
Bedford - Mng. A.C.A./A.T.I.I. - £NEG
Birmingham - Tax Senior - c. £6,000
Birmingham - Personal Tax - £3,500 +
Blackpool - Personal Tax - £5,000 +
Bradford - Personal Tax - £5,000 +
Evesham - Personal Tax - c. £5,000
Exeter - Personal Tax - c. £5,000
Farnham - Personal Tax - £NEG
Harrow - Corp Tax - c. £6,000
Hertford - Personal Tax - to £7,000
Kettering - Mng. A.C.A. - to £8,500
Leatherhead - Personal Tax - £NEG
Manchester - Senior. A.C.A. - £NEG
Micheam - Personal Tax - £7,500
Petersfield - Personal Tax - £5,500 +
Reading - Personal Tax - £5,000 +
Rushden - Personal Tax - c. £4,000
Weybridge - Personal Tax - c. £5,000
Worcester - Personal Tax - c. £5,500

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write: better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

AUDIT TAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

AUDIT PARTNER DESIGNATE.

WEST END c. £10,000
Small Firm which has an established Practice outside London are seeking the above. Ideally someone who has large work Patterns is sought for this growing Practice.

AUDIT SENIOR. WEST END c. £8,500
Medium Firm with a varied Practice are seeking the above. Ideally someone who has a sound knowledge of Audit and Tax work and is able to work without Supervision.

AUDIT SUPERVISOR.

CENTRAL c. £8,000
Medium/Large Firm are seeking the above. Must have sound knowledge of working at the higher level of work Patterns.

AUDIT MANAGER SMALL AUDITS.

CITY c. £8,000
Large City Firm are seeking the above. Ideally they seek someone who is already involved with this work. This is a new Post with obvious potential.

AUDIT SENIOR. CITY

£Neg
Medium/Large Firm are seeking the above. They have largish work Patterns and need a responsible person.

AUDIT SENIOR. CITY

to £7,500
Medium/Large City Firm are seeking the above. Ideally someone with a good examination record and sound experience of larger type work.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

ACCOUNTANT. - Qualified/unqualified with own car able to work on own initiative required by sole practitioner. C. £6,500. - Jack Bright & Co, Barclays Bank Chambers, 41 Newington Green, London N16.

ACCOUNTANT required by small firm of chartered accountants, not necessarily qualified but experienced in incomplete records and small company audits. £6,000+ - Telephone Ashford (Middlesex) 53009.

A CITY FIRM, King William Street, small/medium. Clients include International and public companies offers opportunity of challenging experience and early advancement to first-class Senior and Semi-senior. - Full details please to Box AC 7193.

ALL LEVELS OF STAFF required by West End chartered accountants. Good prospects and working conditions. - 01-387 0096.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agcy).

BOOKKEEPER with car prepared to call on clients required for 20-25 hours per week. Salary negotiable. - Jack Bright & Co, Barclays Bank Chambers, 41 Newington Green, London N16.

LONDON W.1.

£8,000 per annum

Able Senior required, not necessarily qualified, to lead a small team auditing proprietary companies. Need not be experienced in tax, as that work will be done by partners, but must be well experienced in audits with good working papers and schedules, which can be relied upon by the Partner completing the accounts. Ample opportunity for progress.

Write fully with age and experience Box LW 30872.

CHARTERED ACCOUNTANTS, CHESHAM, BUCKS. require chartered accountant with at least two years' post-qualification experience, good knowledge of taxation and incomplete records. Partnership prospects after short period to successful applicant. Commencing salary £8,000 per annum. - Write full details to Box CA 3003.

CHARTERED ACCOUNTANTS in South West London require a person to act as partners' assistant and to manage a selection of cases, including taxation, on own initiative. Preferably qualified with at least two years' post-qualification experience but an unqualified person of long experience might be considered.

Salary envisaged £6,000 to £8,000 plus benefits, according to age, qualifications and experience. Send c.v. to Box CA 7186.

CHARTERED ACCOUNTANTS require a semi-senior at their Woodford office. The position would suite either a newly qualified A.C.C.A. or member of the I.A.S. - Please reply to Box CA 3039.

CHARTERED ACCOUNTANTS, UPMINSTER, ESSEX. seek accounts assistant, not necessarily qualified to deal with all aspects of accounts. Excellent salary and prospects. Tel. Upminster 50979 or 25367.

CHINGFORD CHARTERED ACCOUNTANTS moved from City have vacancies for accountancy and audit staff. Varied and interesting work, salary negotiable. - Box CC 2983.

FED UP. - Need a change, then why not come to us on the lovely South Coast where you will find rewards more than matching effort. We are a progressive firm of accountants looking for qualified staff and prepared to offer the right applicants good salaries, B.U.P.A. membership, contributory pension scheme, C.P.E. facilities, long-term rewards, etc., in a pleasant working environment. - Apply the Staff Partner, Hamilton & Wilton, 28 Wilton Road, Bexhill-on-Sea, East Sussex.

HOVE OFFICE of National firm of chartered accountants require newly qualified and senior audit staff. Salaries up to £6,500 p.a. dependent upon relevant experience. Applications to J. E. Powell, FCA, Kidsons, 83a Western Road, Hove, Sussex BN3 1LJ.

INTELLIGENT YOUNG ACCOUNTANT, able to prepare accounts, required by West End practitioner dealing with TV, theatrical etc. clients. Smart office. Good salary. - Apply, stating age, experience and present salary to Box IY 3055.

JOIN A YOUNG AND ENTHUSIASTIC TEAM IN THORNBURY. - Bristol firm of chartered accountants have a vacancy for a graduate trainee or part trained staff member to work in their Thornbury office where an early opportunity will be given to take responsibility and demonstrate personal ability. Salary according to age and experience. - Apply to Burton Sweet & Co, 77 Whiteladies Road, Clifton, Bristol BS8 2NY or 65 High Street, Thornbury, Bristol.

NORTH LONDON firm of chartered and certified accountants require experienced audit and taxation staff to work directly with partners. Salaries at current levels are negotiable according to age and ability. - Please telephone Staff Partner at 01-837 6301.

PERSONAL TAX ASSISTANT required (semi-senior) by chartered accountants in City near Liverpool Street. - Tel. 01-247 9853.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6420.

RECRUITMENT CONSULTANT. - Essex-based practice merger and recruitment consultancy dealing with the profession, nationwide at principal level, requires an experienced man or woman who could benefit from reduced travel, an innovative approach, exceptional financial potential and personal recognition. In the first instance, contact our managing partner for a discussion in strictest confidence. - Resource Management Associates, 157 New London Road, Chelmsford, Essex, Tel. Office 0245 81166 Evenings 0245 59348.

RICHMOND

CHARTERED ACCOUNTANTS.

We are a forward-looking and expanding firm based in the centre of Richmond, Surrey, and are currently seeking to recruit an audit senior with one to three years' post-qualification experience. In addition, we are always interested in interviewing all grades of accountancy and tax staff, of above-average ability, who would welcome the challenge of a responsible job with variety of work and excellent rewards.

Apply to Mr D. O. Mitchell, Meeson Makinson, Ashley House, 18/20 George Street, Richmond, Surrey. Telephone: 01-940 6020.

Guernsey, Channel Islands

Fast growing office of an international firm requires newly and recently qualified accountants to take responsibility for the audit of a wide range of international and local clients and to be involved in the administration of companies and trusts.

For newly qualified accountants we offer starting salaries in excess of £7,000 per annum and fringe benefits include performance related bonuses and a pension scheme.

Guernsey is a rapidly developing financial centre in a low tax area where successful applicants will enjoy significant opportunities for wide ranging experience, continuing professional education and training, and a higher standard of living in an attractive environment. House prices for essentially employed staff are similar to United Kingdom provincial cities and long term finance is available through the firm for house purchase.

Applications to: **The Staff Partner, Ernst & Whinney, 14 New Street, St. Peter Port, Guernsey**

Tel: 0481-23232

£8,000 to £25,000 p.a.
The Unadvertised Positions
in the Profession

■ **THE SERVICE RMA** are acknowledged specialists for Practice Merger, Association, Disposal, Dispute and Counselling, nationwide. As a result of our success and close links with Principals we are entrusted with many unadvertised and exceptional opportunities for Partners, Managers and Specialists in public practice.

■ **TO APPLICANTS** The value of our service is that you will be able to review attractive possibilities without disclosing your identity or intentions – safeguarding your present position. Our service is completely free to all applicants and we suggest that nothing can be lost by contacting our Managing Partner in confidence.

■ **TO CLIENTS** As the Partners, Managers and Specialists in any Practice are the key to profitability and growth, it is essential to have only professionals of proven ability in executive positions, remembering that in a service business, such as a professional Practice, the top people are the business. Confidentiality assured.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

RUGBY
WARWICKSHIRE

Chartered accountants require A.C.A. with wide experience in medium-sized practice. Salary negotiable. Pension, B.U.P.A. etc. – Apply Box RW 7195.

SENIOR AND SEMI-SENIOR clerks required by chartered accountants in City near Liverpool Street. – Tel. 01-247 9853.
SENIOR PARTNER of small firm of chartered accountants based in Sutton, Surrey, seeks a personal assistant. Wide variety of work and salary of £8,000 per annum offered to a person with a minimum of 3 years' professional post-qualification experience. – Please reply to Box SP 3052.

SEMI-SENIOR

We are a small but interesting firm of Chartered Accountants tending to specialise in the accounts and taxation of a theatrical and musical clientele. Our offices overlook Clapham Common but are close to the Underground. We offer an opportunity for wide experience and responsibility to a semi-senior with good experience of incomplete records and small companies.

Prospects are excellent for the right person and a good commencing salary will be paid depending on experience. Phone M. J. Dunbar 01-622 3426.

SMALL CITY FIRM of chartered accountants (Barbican area) require a person to act as audit manager responsible to partner. – Box SC 3057.

SOUTH BUCKS C.A.s require experienced chartered accountant for small practice offering good prospects of early partnership. – Write Box SB 3006.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

TAX SENIOR at a good salary required by a small firm of C.A.s, London NW. To take charge of a variety of interesting cases. – Reply Box TS 3021.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. – 01-405 4457.

WEST END CHARTERED ACCOUNTANTS seek senior and semi-senior audit staff. – Write giving details of experience and salary requirements to Box WE 3008.

YOUNG CHARTERED ACCOUNTANT, preferably newly-qualified, required as office manager in a two-partner branch office of a substantial provincial practice in Herefordshire market town. Knowledge of incomplete records essential. Very competitive salary and removal expenses with full equity partnership prospects in two/three years. – Box YC 3009.

TRAINING CONTRACTS

ARTICLES/TRANSFERS from £3,250. – Pembroke & Pembroke operate a national service. – Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CLERK studying for certified examinations required for chartered accountants, London N20 area to assist partners in small, varied busy practice. Excellent experience given. Good salary. Annual bonus. – Box CS 3031.

TRANSFERS AVAILABLE for good students at all levels. Our client is a large City practice. Competitive salaries plus good student benefits. – Brian Ingram Associates. 01-458 5313.

COMMERCE & INDUSTRY

ACORN EXECUTIVE RECRUITMENT

Fully qualified Accountant required with any accountancy exam e.g. ACA or ACCA or ACIS. Age group late 20's early 30's. Previous experience on the commodity market would be helpful but not essential. City rather than industrial background. Salary to £9,500 plus benefits. Contact **Robin Butler Acorn Executive Recruitment, 10 Maddox Street, London W.1. Tel 01-493 2208.**

ACCOUNTANTS

As a consequence of continuing expansion and the development of the financial and accounting functions, two additional qualified Accountants are to be recruited to the **HALIFAX BUILDING SOCIETY** to join the team working at Head Office in Halifax. The two positions will appeal to applicants at different levels of seniority and experience.

1. An experienced Accountant is required who will be of the calibre to share responsibility for the Society's system of financial control and for revising and improving that system to keep abreast of modern developments and provide information to plan and control the Society's financial operations. Candidates should have several years post-qualifying experience in a senior capacity preferably in a financial field and the position is unlikely to be offered to an Accountant currently earning less than £10,000 p.a.

2. A younger Accountant is also required who will be actively engaged in finalising and supervising aspects of the accounting system, in the preparation of financial and management information and in the application and development of new systems. A good knowledge of taxation and working with computer systems would be preferred. This position is suitable for an Accountant with at least two years post-qualifying experience.

Both positions at their respective levels will provide the opportunity for further career development within a major financial organisation which is going through a significant period of expansion. The Society offers good working conditions and remuneration including pension scheme, staff mortgage facilities and a Society car.

Applications will be treated confidentially and should be addressed to:

Mr T. A. Hillary, Assistant General Manager, Halifax Building Society, P.O. Box 60, Trinity Road, Halifax HX1 2RG and marked 'TAH/Accountant'. They should contain full personal and career details and specify whether they refer to the first or second position.

HALIFAX
BUILDING SOCIETY
 Member of The Building Societies Association

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

INVESTIGATION SENIORS

London

£8,000-£10,000

A major U.K. practice with a substantial range of both public and large private company clients is currently expanding its investigation department.

Candidates will be qualified A.C.A.s with previous experience of investigation work or alternatively will have had larger firm audit experience and an interest in pursuing a career in this specialist field.

The salaries offered will be dependent upon previous experience.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TECHNICAL DEPARTMENT

London

MANAGER

A leading national practice with approximately 2,500 partners and staff servicing in excess of 50 offices wishes to recruit a manager for their technical department in London

Ideally candidates will be 3 years qualified with an interest in spending a further two years in this department. The work involves both solving the day-to-day technical queries within the Practice submitted by various offices and dealing with 'one off' research projects - e.g. assessing the effect of European Law on the U.K. company.

It is envisaged that for the right individual future prospects within the Practice will be good. The salary and benefits offered are negotiable.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE)

CAREER DEVELOPMENT PUBLIC PRACTICE

ALDERSHOT	General Practice	£7,50
AMERSHAM	P.A. to Partner	£8,00
ASHFORD	Prospective Partner	£8,00
AYLESBURY	Mixed Portfolio	£7,25
BARNET	Audit/Accounts	£7,50
BARNESLEY	P.A. to Partner	£6,75
BASILDON	Audit Manager	£7,50
BASINGSTOKE	Prospective Partner	to £10,00
BATH	General Practice	£7,00
BEACONSFIELD	Newly Qualified	£7,00
BECKENHAM	Audit/Accountancy	£7,00
BEDFORD	Audit Asst Manager	£7,50
BEXHILL	Prospective Partner	£8,000
BIRMINGHAM	International Firm	£6,75
BIRMINGHAM	Local Practice	£7,00
BISHOP'S STORTFORD	P.A. to Partner	£NEC
BOURNEMOUTH	National Firm	£NEC
BRACKNELL	Prospective Partner	to £10,00
BRADFORD	Gen. Prac./Manager	£7,000+ca
BRENTWOOD	Audit Manager	£7,50
BRIGHTON	Prospective Partner	£9,00
BRISTOL	Prospective Partner	to £10,00
BROMLEY	Audit Manager	£8,50
CAMBRIDGE	Audit Seniors	£7,00
CANTERBURY	P.A. to Partner	£7,00
CARDIFF/NEWPORT	International Firm	£NEC
CHELMSFORD	London Firm	to £7,50
CHELTENHAM	International Firm	£7,00
COLCHESTER	Local Firm	£6,50
COVENTRY	P.A. to Partner	£7,00
CROYDON	Audit Supervisor	£9,50
DERBY	Local Firm/Finalists	£5,00
DOUGLAS, I.o.M.	Brochures Available	£NEC
EASTBOURNE	Prospective Partner	£8,00
EAST GRINSTEAD	P.A. to Partner	£7,50
EDGWARE	P.A. to Partner	£8,50
ENFIELD	General Practice	£8,00
FARNHAM	P.A. to Partner	£6,00
GLOUCESTER	International Firm	£NEC

In the first instance telephone

01-2

HEWITSON-WALKER (PUBLIC PRACTICE)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

PRACTICE APPOINTMENTS)

VELOPMENT

UNITED KINGDOM

GUERNSEY/JERSEY	Various Vacancies	£8,000
GUILDFORD	Audit Manager	£7,500
HARROW/WEMBLEY	P.A. to Partner	£8,000
HERTFORD	Tax Senior	£7,000
HIGH WYCOMBE	Prospective Partner	to £10,000
HITCHIN	P.A. to Partner	£6,500
HOUSLOW	General Practice	£NEG.
HOUDERSFIELD	Local Firm	£6,000
HULL	Medium Firm	£6,000
LEFORD	Personal Tax	£7,500
PSWICH	Assistant Manager	£9,000
LETTERING	Audit Manager	to £9,000
LEAMINGTON	P.A. to Partner	£6,500
LEEDS	Two Year Qualified	£NEG.
LEICESTER	Local Firm	£6,500
LIVERPOOL	International Firm	£NEG.
LONDON WC2	P.A. to Partner	£9,000
LONDON EC1	Assistant Manager	£9,500
LONDON W1	Audit Supervisor	£8,500
LUTON	P.A. to Partner	£7,000
MAIDSTONE	Local Firm	£NEG.
MANCHESTER	International Firm	£6,500
MANCHESTER	Prospective Partner	to £10,000
MIDDLESBROUGH	Medium Firm	£NEG.
NEWCASTLE	General Practice	£5,700
NORTHAMPTON	Seniors	£NEG.
NORWICH	Audit Manager	£7,000
NOTTINGHAM	Tax Specialisation	£8,000
OXFORD	Prospective Partner	to £10,000
PETERSFIELD	General Practice	£7,000
PORTSMOUTH	Audit Senior	£NEG.
READING/SLOUGH	Prospective Partner	to £10,000
RICHMOND	Audit Manager	£NEG.
T ALBANS	P.A. to Partner	£6,500
HEFFIELD	Prospective Partner	to £10,000
ROUTHAMPTON	Audit Seniors	£NEG.
ROUTHEND	Finalists	to £5,000
ROVATFORD	Finalists	to £5,000
ROVOKING/WEYBRIDGE	Qualified	£7,000
ROVORTHING	General Practice	£6,000

write to John Walker, F.C.A.

3 0441

PRACTICE APPOINTMENTS)
Y HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

AUDIT MANAGER £15,000 c. 10-YEAR QUALIFIED

A large London Firm with international reputation for specialist services in various types of industries has a need for an additional experienced audit manager.

Candidates will be qualified A.C.A.s with around 10 years' post-qualified experience, particularly of larger close companies. Experience of public company audit procedures would be an added advantage.

This position arises out of the expansion of the Firm's activities.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TRAINING MANAGER London

A well-established City Firm with various associate offices in the United Kingdom currently wishes to recruit a Training Manager.

Candidates will be Chartered Accountants with a keen interest in organising and running courses for qualified and student members of staff. Previous training experience is not essential but would be an advantage.

Salary is negotiable dependent on age and experience.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

Large NW public company

engaged in manufacturing of clothing require a qualified Chartered Accountants to take control of all financial costing and management accounts.

Applicants should be aged 30-40 with some commercial experience and will be required to work in the Manchester area.

Salary and terms will be negotiable depending on experience. Box LN 30873.

FINANCIAL CONTROLLER and COMPANY SECRETARY

MANCHESTER

One of the largest U.K. Research Associations seeks to appoint a qualified Accountant to take responsibility for

**Financial Accounting
Management Accounting
Company Secretarial matters.**

Reporting to the Chief Executive, he should have recent experience of taking a conventional system through to full E.D.P. in mini/micro form. A small competent staff exists and the appointment envisages system transition in an exciting development situation, where personal effort will be vital.

Remuneration negotiable from £9,000, plus excellent life assurance and pension. Strong prospect of earning Directorship.

Details of career to date please to

**L. A. Wiseman
Chief Executive
Shirley Institute
Manchester M20 8RX**

TRUST ACCOUNT BOOK-KEEPER

Experienced Book-keeper required by City firm of Solicitors to work in their Petersfield (Hants) Office. Must be capable of preparing Trust Accounts and Tax Returns with very little supervision. Interviews to be held in London or Petersfield to suit applicants. - Please reply in writing to Box TA 7198.

DO YOU HAVE DIFFICULTY IN WORDING YOUR ADVERTISEMENT?

**If so, may we help?
Ring 01-836 0832
Extension 30**

CONDITIONS OF ACCEPTANCE OF CLASSIFIED ADVERTISEMENTS

1. The publishers cannot guarantee insertion on any specified date, but every effort is made to comply with advertisers' requirements.
2. The publishers will not be held liable for any loss occasioned by the failure of any advertisement to appear from any cause whatsoever.
3. The publishers will not accept responsibility for printing errors which may appear or for any consequences arising therefrom.
4. Box number addresses must not be used for the receipt of original documents, goods or payments of any kind, nor are they available for the distribution of circulars or canvassing matter. Any letter is liable to be opened for examination of its contents.
5. The right is reserved to refuse, cancel, suspend publication, or alter any advertisement which in the opinion of the publishers does not conform with recognized professional standards.

OVERSEAS

University of Natal Department of Accountancy Durban

Applications are invited from suitably qualified persons, regardless of sex, religion, race, colour or national origin for appointment to the post of

SENIOR LECTURER/LECTURER

A subvention is payable by the Public Accountants' and Auditors' Board in its discretion to Chartered Accountants who are engaged full-time as Senior Lecturers in the teaching of accountancy students at South African universities.

Salary in the range of: Senior Lecturer R11,400-R15,600 per annum; Lecturer R8,100-R13,200 per annum.

The commencing salary notch will be dependent on the qualifications and/or experience of the successful applicant. In addition, an annual vacation savings bonus is payable, subject to Treasury regulations.

Application forms, further particulars of the post and information on pension, medical aid, group insurance, staff bursary, housing loan and subsidy schemes, long leave conditions and travelling expenses on first appointment are obtainable from the Registrar, University of Natal, King George V Avenue, Durban 4001, South Africa, with whom applications, on the prescribed form, must be lodged not later than December 31st, 1979, quoting reference Adv. D95/79.

PARTNERSHIPS AND PRACTICES

A BOURNEMOUTH expanding four-partner firm needs another chartered accountant, aged 30 to 45, to shoulder substantial responsibility. Some capital required. Prospects commensurate with experience and ability to advance our standing in the profession. - Please write to Box AB 3048 or telephone 0202 423254/5 for an interview.

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. - Please reply to Box AB 6428.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. - For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

BIRMINGHAM OFFICE of medium-sized chartered firm, general practice, modern offices, Edgbaston, has surplus accommodation, suitable small firm seeking working arrangement possibly leading to merger. Training facilities available to staff. - Box BO 3032.

CERTIFIED ACCOUNTANT, North-West London is prepared to purchase small practice or block of audits, approximately £1,000-£2,000 fees. Immediate cash available. - Box CA 3023.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. - Box CA 6429.

CHARTERED ACCOUNTANT near London requires G.R.F. of up to £40,000 or would like to hear from overburdened practitioners. Flexible arrangements available. - Box CA 3011.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. - Box CA 6428.

CHARTERED ACCOUNTANTS, CHESHAM, BUCKS, require chartered accountant with at least two years' post-qualification experience, good knowledge of taxation and incomplete records. Partnership prospects after short period to successful applicant. Commencing salary £8,000 per annum. - Write full details to Box CA 3004.

CHELMSFORD CHARTERED ACCOUNTANTS require qualified chartered accountant with all-round experience to be involved in future development of fast expanding practice. Definite partnership opportunities within reasonable period. - Please reply in own writing giving full details of experience, salary required, etc. to Box CC 3058.

Acquisition/Merger Req'd in South of London or Surrey by City Practice GF £1m

■ **LOCATION.** A highly respected City firm of long standing now wishes to expand by means of a compatible acquisition or merger in the South of London/Surrey and will seriously consider blocks or practices in this area.

■ **OUR CLIENT.** With a partner/Staff complement of c. 100, GF over £1,000,000, strong and comprehensive city connections, a national clientele, advanced systems, valuable training facilities and excellent client acceptance, we feel that superb prospects exist for rapid personal professional and financial advancement.

■ **OUR PROPOSALS.** If you are overworked, under capitalised or frustrated and wish full/partial withdrawal our client can offer an attractive capital payment of up to 1½ times GF depending on size and quality, with continuity. Alternatively should a merger, appeal, then generous personal and financial terms will be equitably negotiated and full recognition given to each partner's stature, professional ability and personal contribution.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81167 Cables Resource

Practice Disposal in the Home Counties, West of London GF c. £225,000

■ **OUR CLIENT** A Chartered Practice which has commanded respect since the turn of the century, having a GF of c. £225,000, and steadily growing, now wishes to make suitable arrangements for disposal due to the impending future retirement of the partners. Present organic growth should reach £½ M within 5 years.

■ **THIS PRACTICE** serves a well spread, mixed clientele for most professional services with a partner/staff complement of c. 30. It is operated from well appointed extremely central and sought after premises of c. 5,500 sq ft. The location is in an area of pivotal importance for industrial and commercial potential.

■ **REMARKS** Propositions are invited from substantial firms for the goodwill and excellent potential of this strategically positioned practice. Limited continuity will be assured by the vendor to promote a smooth transition and all enquiries will be treated in strictest confidence. Identity not revealed without prior permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantages. — Please reply to Box CC 6430.

EAST MIDLANDS CHARTERED ACCOUNTANTS. — Old established firm with several offices seeks association with national firm able to provide assistance in training and specialist operations. We can offer local representation using our experienced audit staff with international firm experience. — Box EM 3059.

FIRM OF C.A.s in North London seeks practice or block of audits. Ample resources available. Retirement situations considered. — FO 3025.

FOR SALE. Block of audits and accounts, G.R.F. £25,000 (fifty clients) by Central London F.C.A. retiring from full-time practice due to other interests. Outright sale preferred with full co-operation to ensure continuity. Price £40,000. — Box FS 3049.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000—£500,000. — Dennis Chatfield & Associates, Wheatsheaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01—353 1307/1308/5831.

PRACTICE FOR SALE. South East England. — Apply Box PF 3024.

PRACTITIONER WISHES to acquire old-established practice where a personal client service is highly regarded. — Please reply in strictest confidence. — Box PW 2937.

SHEFFIELD CHARTERED ACCOUNTANTS, two partners, G.F. £50,000, welcome discussions with other firms with a view to merger or full/partial sale. — Box SC 3012.

SMALL PRACTICE HARROW AREA. £12,000 G.R.F. Cash offers only. Office lease 21 years low rental if required. — Box SP 3060.

SOLE PRACTITIONER, LONDON W5 wishes to acquire small practice or block of audits up to £10,000 approx. Would also be interested in discussing with practitioners considering retirement. — Box SP 3013.

SOLE PRACTITIONER N. London, wishes to retire and seeks inquiries. Practice of some thirty years standing with varied clientele. — Apply Box SP 3035.

SOUTH BUCKS C.A.s require experienced chartered accountant for small practice offering good prospects of early partnership. — Write Box SB 3007.

UNIQUE tax consultancy and recovery service would dovetail well with a firm of international tax consultants/accountants to exploit fully a vast potential. We offer a clientele of international companies, an unexploited market of £25 billion+, a proven need (1,000 inquiries), five years' research, unique idea. — Your offer to Box UT 3047.

PROFESSIONAL SERVICES DIVISION

Our Professional Services Division was formed since we found that as recruitment consultants to the professions we were being asked to look not simply for partners but to assist with the acquisition, disposal and merging of professional practices. We are now advising a large number of practices, both nationally and internationally, and we invite practitioners and firms considering sale, purchase, merger, association or representation to contact us for details of our service.

**DENNIS CHATFIELD & ASSOCIATES,
WHEATSHEAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01—353 1307/8
01—353 5831**

WELL-ESTABLISHED Chartered Accountant seeks further expansion by acquiring a block of fees up to £20,000 G.R.F. Specialist services are provided for smaller clients. Preferred area is NW. London but all related areas would be considered. Cash/pension arrangements can be promptly arranged. Box WE 7185.

SUBCONTRACT WORK

HARROW/WEMBLEY CHARTERED ACCOUNTANTS require person to prepare draft accounts and tax computations at their offices on a subcontract or full-time basis. — Details of experience to Box HW 3036.

SUBCONTRACTORS REQUIRED. General accountancy work/incomplete records/taxation. To work on or off our premises. Colchester area. — Telephone 07875 3367.

SUBCONTRACTORS required to work at accountants in Bexleyheath, to produce final accounts from incomplete records and ability to audit limited companies and must be experienced in personal/company taxation. — Telephone 01—304 8334/5.

ABLE BENGALI-SPEAKING chartered PEII finalist with lots of experience in all fields seeks subcontract work from Bengali-speaking chartered accountants in practice in London. Will consider part-time working in principal's office. — Box AB 3019.

ACCOUNTANT QUALIFIED. — Incomplete records to limited company accounts, tax costing, etc. — Box AQ 7174.

ACCOUNTANT with eleven years experience in incomplete records, partnerships, large and small limited company, audits and accounts, solicitors, correspondence and taxation. — Please reply Box AW 3061.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6432.

CHARTERED ACCOUNTANT available for subcontract work for one or two days per week in the city or South London area. — Box CA 3016.

CHARTERED ACCOUNTANT seeks subcontract work in North London or adjoining areas. — Box CA 3026.

EXPERIENCED F.C.A. with small practice available for subcontract work two or three days per week. London area. — Box EF 3053.

F.C.A. (33) seeks subcontract work. Small/medium company audit, incomplete records, tax, VAT, payroll preparation. Merseyside area. — Box FC 3054.

F.C.A. with spare capacity seeks subcontract work within 25-mile radius of Colchester, can collect and deliver. — Box FC 3017.

GREATER MANCHESTER. — Subcontract accountant requires work. Extensive experience in sole traders, partnerships etc, and all relevant taxation matters. High standard of preparation guaranteed, at reasonable rates. Prompt collection and delivery. — Box GM 7196.

PEII FINALIST with six years' experience in incomplete records, limited company audits, VAT, P.A.Y.E., etc. Available for subcontract work in London area. Will collect and deliver. — Box PE 3018.

TAXATION CONSULTANT, BSc(Econ), ATII, ASIA, available for small practice tax work, difficult/involved cases, valuations for CTT/CGT or similar. — Telephone 01—242 8091.

Please mention this
Supplement when
answering
Advertisements

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. — Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. — All replies to Box AC 6435.

BRITISH CHARTERED ACCOUNTANT considerable experience company audits, personal and corporate taxation, seeks employment as manager. — S. A. Siddiqi, 49 Tavistock Avenue, Perivale, Middx. (01-998 5824.)

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS
Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.
PRACTITIONERS SERVICES BUREAU
Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5
Freeances and Job Applicants required also.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. — Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

TRAINING CONTRACTS

A.C.C.A. (POST FOUNDATION) trainee accountant (21), available to start January 1980. — Please write to Mr B. R. Patel, Room 464, Central London Y.M.C.A., Great Russell Street, London WC1.
U.K. GRADUATE seeks articleship with small or medium sized chartered firm. Starts immediately. Partha Sarathy Bannerjee, 15 Tottenham Street, London SW17. — Tel. 01-767 3257.

SERVICES

Nameplates

in Bronze, Brass, Plastic, Stainless steel, Aluminium

Interchangeable "Registered Office" Directory Boards and Rubber Stamps also supplied.

Austin Luce & Co Ltd

Free estimates • Telephone urgent orders
ACTUAL MANUFACTURER 59 College Road, Harrow, Middlx. Tel: 01-864 7342

COMPANY FORMATIONS

A BACKED SERVICE. — Limited companies formed or ready made. — Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY SEARCHES. — Prompt and reliable personal service at moderate rates. — M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

READY-MADE COMPANIES available now, also formations, etc. — Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETLEBURGH LIMITED
140, 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON EC4Y 0HE. Tel. 01-353 1441
Ring any day — any time — 24 hour service

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

LIMITED COMPANIES

NEW FORMATIONS, OR
READY-MADE COMPANIES

£90 complete

including VAT, duties, combined
register, seal, forms filed, etc.

NO HIDDEN EXTRAS

ALSO

COMPANY SEARCHES

increases, name changes, etc., etc.
Descriptive Literature from:—

GRAYS INN COMPANY FORMATIONS LTD
87-89 Tabernacle Street,
London EC2A 4BA
(Phone: 01-253 3551/2)

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

Express Co Registrations Ltd
30 CITY ROAD
LONDON EC1

MORTGAGES

ABANDON CHASING THAT MORTGAGE. — 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. — Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. — Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

What's the fastest way to form a company?

With over 100 experienced people on our staff and around 700 ready-made companies on our books we can offer you an unbeatable turnround on company formation and a far broader range than anyone else. Perhaps that's why we've formed more companies than any other company?

For a quick reaction simply call David Hodgson in London on 01-253 3030 or Michael Counsell in Bristol on 0272 32861.

Jordans
We always come up with the answers

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

A COMPREHENSIVE SERVICE

Maximum loans for professionals
Remortgages, commercial loans, etc.

Personal service 20 years' experience.
Members of the Corporation of Mortgage and
Finance Brokers.

ROWE, CHARLES & CO LTD
Hill House, Wembley, Middx HA9 9LD
01-908 3434

MISCELLANEOUS

PERSONAL

DATeline's psychologically accurate
introductions lead to pleasant friendships,
spontaneous affairs, and firm and lasting
relationships including marriage. All ages,
all areas. — Free details: Dateline Computer
Dating (Dept. AH1), 23 Abingdon Road,
London W8. Tel. 01-937 6503.

BUSINESS OPPORTUNITIES

F.C.I.I. helps sole practitioners who are
ambitious to extend the range of their
financial services on a profitable basis.
London and Kent. — Box FC 3062.

SWITZERLAND

Ski chalets and apartments by Lake
Geneva and in surrounding ski resorts.
An extremely desirable investment for
professional people and clients. Write
initially for details to Victor Stewart &
Co, 50 George Street, Croydon, CR0
1PD.

BUSINESS PREMISES

AN INSTANT OFFICE. — Ideally suit new
or expanding firms. Busy position 'Bakers
Arms', London E10. Luxuriously furnished.
Telephonist, receptionist, C/H and other
services and facilities included. — 01-539
3300.

**PROFESSIONAL INSURANCE CON-
SULTANTS** offer first-class ground floor
offices in Edgware of approximately 400 sq.
ft. With excellent facilities to small/medium-
sized accountants. — Apply Box PI 3038.

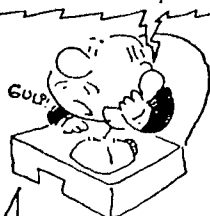
OFFICE MACHINERY AND EQUIPMENT

**RUBBER STAMPS — NORMAL
SERVICE THREE DAYS.** — Signature
stamp and special blocks seven-ten days.
Also daters, company seals, pads, ink, etc.
Competitive prices. — F. H. Greenhalgh,
Universal Buildings, Garnet Street,
Stockport SK1 3AR. Tel. 061-480 3826.

STOCK VALUERS

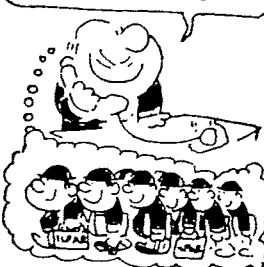
**ABOUT STOCKTAKING AND
VALUATIONS** of trade stocks anywhere
in Britain consult John Tarryer & Co,
F.V.S.A. 121 Bridge Road, East Molesey,
Surrey (01-979 5599).

'AUDITORS ON THE
PHONE FOR YOU
MR. BICKERDYKE'

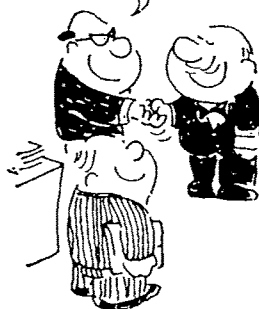


BUT I'M NOT READY!
THE BOOKS AREN'T
WRITTEN UP...
COMING NEXT MONTH
YOU SAY?

BUT WAIT A MINUTE
GET ME ILPAR



NO QUALIFICATIONS
THIS YEAR, MR
BICKERDYKE. BOOKS
IN APPLE PIE ORDER
CONGRATULATIONS!



**FOR YOUR
TEMPORARY
ACCOUNTING
PROBLEMS RING
01-353 5624**

ILPAR

ILP Accountancy Recruitment Limited
4 New Bridge Street, London EC4V 6AA

accountancy personnel

Agy. **TEMPORARY**

**Calling all Managers,
Seniors, Semi-Seniors,
Intermediates
and Juniors**

TEMPORARY JOBS IN ALL AREAS.

**TOP RATES OF PAY ONE WELL
PAID JOB AFTER ANOTHER**

64 George St,
Croydon
01-686 4686

7 MacKenzie St,
Slough
Slough 35939

63 Moorgate,
London EC2
01-628 9015

14 Gt. Castle St,
Oxford Circus, W1
01-580 2612

The Good Job Guide

THE COMPLETE SELF-HELP GUIDE TO CHANGING YOUR JOB

Over 500 pages of practical information and advice,
including:

- trends in the job market
- self-assessment
- effective search
- cv and interview techniques
- training opportunities
- legal aspects
- working overseas
- key facts on hundreds of companies
- detailed profiles of major employers
- a guide to recruitment consultants
- professional associations
- employer category/job and location indices

£1.75

available from major booksellers, or from Order Dept A
The New Opportunity Press, Yeoman House,
76 St James's Lane, London N10 3RD. (add 60p p&p)

TAXATION & ACCOUNTANCY RECRUITMENT

CONSULTANTS TO THE PROFESSIONS

Having established a conventional agency we have on our register situations in all parts of the U.K. in the Accountancy and Legal Professions ranging from audit and tax assistants through to partner level with remuneration from £4,000 to £15,000.

However, we have found that in addition to notified vacancies there is little difficulty in 'creating' situations for candidates of ability who are qualified by examination or experience and if required are willing to undertake a course of further study.

Instead of waiting for the right opportunity to turn up we invite you to discuss with us your hopes and ambitions for the future and we will do all we can to find you the career opportunity you are seeking in an area of your choice.

3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates

THE ACCOUNTANT

**LATE
EXTRA**

Or just extra late?

Be on time with the

LATEST news & jobs

Order your own copy!

**The
ACCOUNTANT**

ANNUAL RETURN - COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ

Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex. 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex. 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER CONSULTANTS

Alan Duck and Associates Ltd

Circle House South, 65-67 Wembley Hill Road, Wembley, Middx. Tel. 01-903 6455

Specialist Areas: Feasibility studies, cost/benefit analysis, assistance with computer selection and implementation.

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services(South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas -suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS - An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd - Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol.

The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5.
Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Services Directory

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554
Computer Bureau. Specialist areas. Assets Register.
Property Management. Send for free Brochure

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London
SW1. Tel. 01-828 7744. Telex. 8813082

Specialist areas: systems implementation, networks,
information management, word processing, OR, marketing,
software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663
Employee share and incentive schemes, remuneration and
benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892
Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street,
London SE1. Tel. 01-407 9587. Showrooms:
27 Montpelier Vale, London SE3. Tel. 01-318 4394
Advice-Sales-Service on the widest range of new and
reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321
Corporate/personal tax counselling, executive fringe benefit
plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES - COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Practitioners can, in association with us, provide
management information with ease and profitability to
clients. Cash flows, profit forecasts etc.

FINANCIAL PLANNING SERVICES

Alan Smith, Aston & Partners Ltd

94/96 Newhall Street, Birmingham. Tel. 021-236 0891
Managing Director: T. A. Smith, B.Com., F.C.A., F.P.M.I.
Self-administered or Insured Directors Pension Schemes
Tax-efficient investment for income and/or growth.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353
Telex. 264420. Contact Michael Southgate
Service to Industry, Press/Stockbroker/Shareholder
Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN
Tel. Maidenhead (0628) 37123

On-line information update, enquiry, analysis selection and
reporting. Linked with text processing and document
production. Mailing, personnel, property, sales
administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA
Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336
(Ring, write or call)

Household and personnel effects and luggage collected,
packed and shipped world wide by bonded member of the
British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788
Specialist supply of all types of equipment and consumables
to Practitioners. Agencies with all major suppliers,
discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE
Branches: 61-63 Beak Street, London W1R 4JA
186 Fleet Street, London EC4
Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE
Services. Includes the 'normal' reports and additional
schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB.
Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh,
Manchester and Dublin.

Independent consulting actuaries with offices
throughout the United Kingdom advising and acting
for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH
Tel. Long Stratton (0508) 30324 and 30488

Norfolk and Suffolk. Professional Investigators,
Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843
Parliamentary, corporate and financial PR consultants
in UK and EEC. Publishers of 'Prices and Fair Trade
Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford,
Middx UB6 8DW. Tel. 01-998 8888. Telex. 935109
(Open 7 days a week)

Specialising in office, commercial and factory removals.
Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB
Tel. 01-439 6007. Telex. 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA
Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone:
offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Based on our considerable experience, we can advise the
Practitioner on how to cut through the morass of new
technology to obtain higher profitability and greater
efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London EC4N 6AE. Tel. 01-248 4277.
Members of the Stock Exchange, established 1852.
Can offer facilities for the private and professional
investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX
Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular
valuations and reviews. Personal partner supervision.
Please contact Mr J. A. D. Skaites, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London
EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and
international portfolios, including those of private
individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage
Gardens, Manchester M60 3AH. Tel. 061-834 2332
Telex. 667783 and London

Service include regular reviews, financial planning,
pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street,
Plymouth, 30 Milsom Street, Bath, 16 Southernhay West,
Exeter

Valuation and rating surveyors, consultants to caravan and
leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green,
Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes
of alterations, improvement and repair, design of new
buildings, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow
Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of
industrial/commercial goods including machinery and
plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561
(and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation
and Estate Agency, including valuation of Company assets
for all purposes

TAX ASSESSMENT - COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated service to monitor tax payments due,
and overdue accumulating interest. Register and paylists
prepared fortnightly. Permanent tax schedules prepared

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and
records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA
Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6JU
Tel. 01-836 1840 and 01-836 1923

All languages - all deadlines



It's Later Than You Think

If you have not already placed your order for the 1980 editions of *The Accountant* diaries, please use the form below to do so now.

THE ACCOUNTANT *Diary 1980*

LABEL

NAME

APPOINTMENT HELD

COMPANY NAME

ADDRESS

If undelivered please return to
GEE & CO. (PUBLISHERS) LIMITED
151 Strand, London WC2R 1JJ Telephone: 01-836 0832

Notes

STRICTLY CASH WITH ORDER
DESPATCH OF DIARIES WILL BEGIN DURING NOVEMBER
NO ACKNOWLEDGEMENT OF ORDER WILL BE SENT

ORDER FORM

THE ACCOUNTANT *Diary*

Please supply

	Price each inc. Postage & Packing	Quantity*
DESK DIARY	£5.20	
POCKET DIARY	£4.15	

*Insert number of copies required above

Diary Total: £

plus VAT @ 15% £

Remittance enclosed: £

VAT Registration No. 239 1838 41

Registered in England 115503

1500 Days to 1984

by HARRY T. CHAMBERS

I must be getting old because as a small boy I can just remember gold bullion being unloaded outside the bank in the City of London from a horse and cart!

The other day I received details of a special bullet proof cash transfer unit for wages offices – such is progress. Alright, we live in a more violent age. If that were not enough I have just been handed details of a new bug detector, not I may add hastily for use by MI5 but by business executives. It seems that, if the manufacturers are to be believed, your commercial and industrial secrets are likely to be eavesdropped by competitors whenever two or more top executives meet. Any room where top executives meet, it seems, is liable to be bugged. You are not even safe in the executive washroom.

Once the conference room has been swept clean of transmitters, Tracer, as the device is called, can be put on standby and left to give a warning if a transmitter is placed or activated during the meeting. Who, I wonder, places the bugs? Is that glamorous temp. sec. really a spy employed by your deadly rivals the Watzit Company or is it the window cleaner? Maybe it is one of those nice young men in clean overalls who say they have come to check the computer terminals? The mind boggles.

The chief target

Just because you are the chief accountant do not think you are immune from the activities of industrial spies – you could be their chief target. Most of us think of industrial spies as trying to get advanced information on that new model you are about to launch which you are convinced will sweep the market. Unless doing something very advanced the R and D may be of less interest than the financial situation. There are situations where a few chance remarks overheard by the wrong person could cause trouble. Suppose, for instance, that you are working for one of the oil companies

with interests in Iran and you expressed the opinion that the revolution would succeed a couple of weeks before this seemed likely to outsiders. Expressed at a senior executive meeting such remarks would carry weight. Any spot operator who overheard them could have made a big enough fortune to have retired in luxury for the rest of his life.

Diverting possibilities

Taking a different scenario the board of your company agrees to transfer £500,000 to a subsidiary in France. The money never gets there. What has happened was that some electronic whizz kid with a second hand Post Office van tapped the line and diverted the money into a false account opened for the purpose. I do not say it could happen in practice but it is technically possible. One or two attempts to divert money being transferred from the USA to Switzerland have already been made.

I have no idea how prevalent industrial or financial spying may be. My guess is that it is not very prevalent. Nor am I entirely convinced that computer crime is as widespread as some would have us believe. In another decade the situation may be very different. Why hold up a cash office with a gun and risk being killed or maimed if you can divert the same amount of money into your own pocket simply by pressing a few keys? The short answer is that generally speaking the criminal classes are not known for their brilliant intellects and to know where to plug a keyboard into someone else's computer communication system a high degree of technical knowledge is necessary. White collar crime is nothing new; all that is new is that the white collar criminal can now use electronics to beat electronics instead of taking advantage of the security gaps

in an old fashioned manual accounting system.

So much for security past and present but this still leaves us with the problem of how much security we can tolerate living with. Total security means treating everyone as a potential criminal from the chairman downwards. Would we, for instance, tolerate being spied on by CCTV cameras from the time we enter the office to the time we leave? And if CCTV why not have it all videotaped so that if the office junior is caught pilfering a throwaway ballpen personnel can show him in the act in an action replay.

Flexitime

Most readers will be familiar with flexitime and the associated means of recording when people enter and leave the premises. One way is for every member of the staff to have a plastic card similar to a credit card which is electronically coded so that it can be read and their time of arrival and departure recorded by a reader adjacent to the office entrances.

This could be combined with a security lock so that it was impossible to get in or out without first presenting your 'clock' card to the reader. And for high security areas you could have additional voice print locks so that only authorised personnel could enter or leave. As an alternative you can have variable codes so that depending on their duties different members of the staff are confined to various parts of an office block.

Staff surveillance

Then of course the bugs (listening devices) can be deliberately installed for the purposes of staff surveillance. All telephone conversations can be recorded. The original purpose of this type of equipment is to record telephoned orders, which is a legitimate use or, for use by emergency services. If all this sounds more like a prison than a place of work, then I can only agree. All I have done is to put together some of the security devices which are currently available and show how they can be turned into staff as well as the original security purpose for which they were designed. So watch out!

Data Developments

ICL has recently added word processing to the facilities available on their System Ten series. The word processing hardware comprises a correspondence printer and a dual-purpose visual display unit which can be used for data and word processing.

The 55 cps printer has interchangeable 'daisy-wheels' giving a choice of type styles. The 15 in screen VDU displays up to 24 lines of 80 or 132 characters. The System Ten Information Processing facility (ie combine data and word processing) costs from £25,000 while existing users of System Ten can add the word processing facility for around £8,000. Further information from International Computers Ltd, ICL House, Putney, London SW15 1SW (01-788 7272) or local ICL office.

Twice the power

Honeywell recently announced a new top-of-the-line computer, the DPS8/70 with nearly twice the power of any existing Level 66 system costing from just under £860,000 with one megabyte of main memory. Together with this comes GCOS 8, a developed modular version of the GCOS operating system designed specifically for the distributed computing market. Other enhancements include new operating software for the Level 6 minicomputer family, three new display terminals in the 7800 family, a new family of mass data storage devices offering 1,100 million bytes per unit and a revised charging policy for large-scale operating system and support. Honeywell Information Systems Ltd, Honeywell House, Great West Road, Brentford, Middlesex (01-568 9191).

AIDS (Accounting and Information Development Services Ltd) is a bureau service run by young accountants which specialises in providing a regular computerised monthly accounting service for clients of professional accountants who are not in a position to contemplate having their own inhouse hardware. AIDS is an associate of the Accounting Corporation of America who are servicing more than 2,000 firms of accountants in the USA.

The argument appears to be that the practising accountant is too bogged down in paperwork to provide his clients with accurate accounts on a monthly basis but with the aid of this bureau service would be able to do so. AIDS, Lawton House, 14 Southampton Place, London WC1A 2AJ (01-242 6752).

A new family of Datsaab business computers was introduced recently in the Series 16, a range of real-time minicomputers designed for business applications. The system is expandable from a single workstation to a multiple workstation system, maximum 32. Available with a range of standard software which includes a complete suite for the financial control of a small business, the Series 16 is a disc-based system available in five basic models each capable of supporting a number of peripheral devices. As with much Swedish design, ergonomics play a large part in providing a satisfactory work environment and attention has been paid to the needs of UK business in assembling the software packages which can be adapted to widely varying customer requirements using a technique known as parameter selection. Datsaab Ltd, Northgate, 72 Northolt



ICL's word processing facility for its System Ten Series of small business computers

Road, Harrow HA2 0HE (01-422 3442).

Karlin Computer Services, Gable House, Turnham Green Terrace, Chiswick, London W4 (01-995 3721) has been set up to provide a complete maintenance service for Olympic computer users in the UK. Karlin maintain a team of 20 engineers in eight towns and cities.

Following the purchase of the minority stock interest held by Gamma Associates of Nottingham, Gamma Computer Products of Chiswick has changed its name to Karlin Computer Systems. The new company will continue to market all the system products previously marketed by Gamma Computer Products and the Olympic family of computers is to be expanded; address as above.

Multi-function system

Based on the A-M Jacquard range, Oyez Computers Ltd have launched a multi-function system which handles solicitors' accounting, time costing and word processing simultaneously. The system ensures and enforces compliance in all respects with the Law Society rules. The system is of interest to firms with from 500 to 10,000 matters and costs range from £8,500 to £40,000. Oyez Computers Ltd, Oyez House, 237 Long Lane, London SE1 4PU (01-407 8055).

In the meantime Gamma Associates Ltd have not been idle but have launched an integrated accounting system designed to meet the needs of accountants working in a commercial environment. The purchase, sales and nominal ledgers are designed where appropriate to interface with other systems and are designed to run on the DEC PDP-11 range of computers. Gamma Associates Ltd, Broadway House, 7/9 Shute End, Wokingham (0734-789777).

Stage One Computers recently announced a forthcoming incomplete records system designed in conjunction with a Bournemouth firm of accountants. The system will run on Commodore PET 32K microcomputers. The cost of the system including software is £3,700 for the matrix printer system and £5,500 for the daisywheel version. Stage One Computers, 6 Criterion Arcade, Old Christchurch Road, Bournemouth, Dorset (0202-23570).

Communicate With Charts

An accountant is used to dealing with figures, but the kind of figures which are meaningful to him are not necessarily readily understandable by his colleagues in other departments. If, for instance, it is said that 'Out of a total budget of £48,029 only £2,417 was spent on supplies' it may not be nearly so obvious to the sales manager that only one-twentieth of his budget went on supplies as it is to the accountant.

In the same way, for a man in practice it may be much easier to put over a similar point to his business clients if it could be drawn in the form of a graph. This is perhaps a rather crude and primitive example, but it seems that a lot of people can assimilate figures much more easily when presented in graphic form.

Dramatic communication

The most dramatic way to communicate quantified information is to use a bar chart. They are very easy to draw. All that is needed is a piece of graph paper, to give a ready-made scale, and a broad-tipped felt pen. If you want to be really emphatic use a different coloured felt pen for each quantity. This is reducing charting to its very simplest, and in charting the simplest is best. Once you start producing something which looks like Spaghetti Junction the eye of the beholder gets confused and you defeat your own object.

When making a presentation pick out the essential information which will make your point, and the minor details can always be discussed.

In management reporting good use can be made of graphic charts to indicate trends. This may not be endearing to the manufacturers of charting equipment, but I think that a sheet of graph paper and a few coloured felt pens is the easiest way to set up a chart.

One useful piece of equipment which should be commonly available is a white board with feint graph ruling. I very much doubt if I am unique in finding it much easier to draw a line with a felt pen than to fiddle around with adhesive-backed tape and a lot of coloured symbols.

This takes me to network charts which are useful when setting up a new project. One of the main uses for a network chart in an accounts office is for changing over to a business computer. The object is to make sure that the work proceeds in a logical sequence and that nothing is forgotten. On this type of chart everything concerned with the project must be included, otherwise one might as well not bother. It would be better to do without it as it would give a false sense of security.

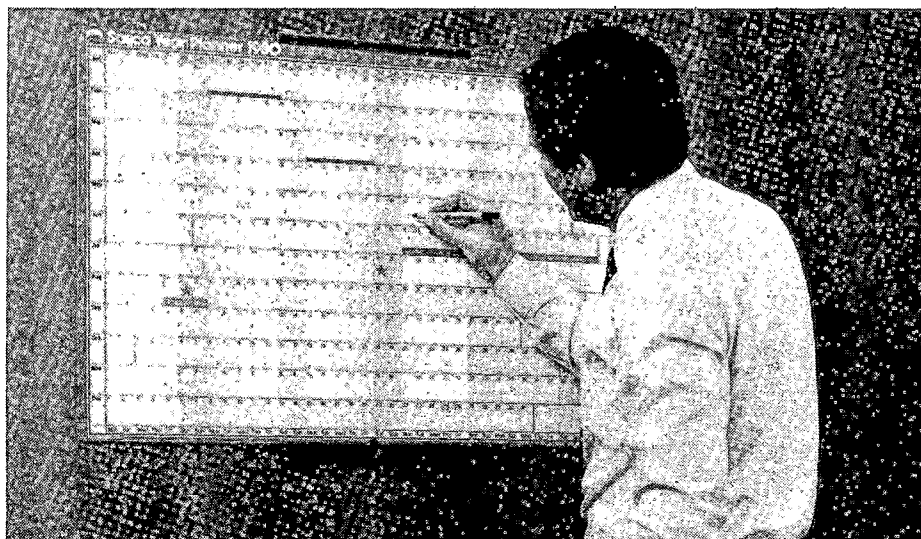
Imagine changing from a manual to a business computer system, which these days can include automatic stock record update and, if not automatic re-ordering, at least a print-out whenever a stock line reaches the minimum stock level – all in addition to routine book-keeping. Apart from the obvious alterations within the accounts department, will the sales office be aware of their additional responsibilities in ensuring that no order is entered on the system until accurate information is obtained from the customer? Maybe they will need a revised procedure and order forms. In purchasing, too, it may be necessary to revise the way in which their work is handled. All these peripheral changes need to be included if the transition is to be a smooth one. Furthermore, they need to be set up in the right order so that

they will take place at the right time relative to the installation of the new equipment. This is where a network chart can be a real benefit, provided enough time is spent to set it up thoroughly.

There are all kinds of other charts, some of which have very specialised uses, but I think I should mention year planners, particularly as those for 1980 are just coming on the market.

In one sense a year planner differs from the kind of charts we have been talking about, in so far as it deals only with the timing of events. There are, of course, two types: one covers the calendar year, while the other, being perpetual, can be set up for any period. It can, for instance, be set up for your company's financial year. On the other hand, there is a good deal more setting up to be done each year moving the date and day indicators along. On balance, I am inclined to think that the calendar-year planner is more likely to be used as its manufacturer intended.

Year planners are usually supplied with a whole lot of symbols and a surface which can be written on. The best way to use them is to use the symbols for fixed events and write the rest in, using a wipe-off marker. One thing to bear in mind when setting up a year planner is that symbols mean nothing to visitors, so if you want to hang it on the wall and still keep events secret use symbols even for those events you write in. There is only one snag to this system: if you make it too complicated you are liable to forget what some of the symbols mean yourself.



Sasco Year Planner.

The Business Computers

Two new small computer systems have been introduced by British Olivetti. One, the BCS 2030, will sell in the £5,500 to £8,500 price range, and is intended to compliment Olivetti's 'A' range introduced four years ago. One micro-processor is used for each function of the system, other additional features include a 100 c.p.s. matrix printers, 32-character display and a self-diagnostic facility. There are three machine configurations available – a ledger card based system – a magnetic ledger card based system and dedicated applications based on twin cassette drives.

Prepared packages include – invoicing,

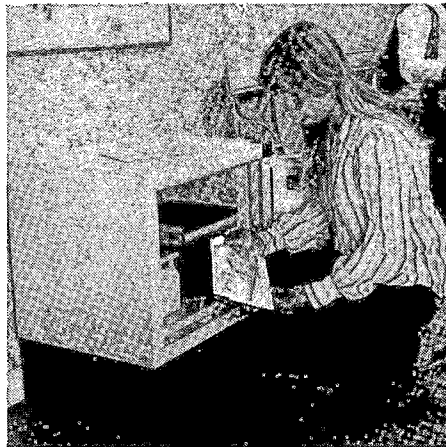
sales ledger, purchase ledger, nominal ledger, payroll stock control and costing; packages are also available for accountants, solicitors, time control, HP and credit rental. The BCS 3030 is a larger modular system with up to 64 K main memory, capable of integrated processing with 1,920 character video display, fast printer and large capacity disc memory. The work station consists of central unit, keyboard console, video display, floppy disc unit and printer, a removable disc cartridge version is also available. In addition to the packages available programmes can be written directly by the user.

Other Aids to Efficiency

Lanier, the American dictating equipment manufacturers say that two out of three executives still avoid the use of dictating equipment because they feel it is too complicated. It is with this in mind that they have introduced the LM-60 recorder/transcriber which uses microcassettes, is little larger than a telephone, and they claim, just as easy to use.

Simplicity and a microphone that is comfortable to handle are the two most demanded elements according to industry surveys and Lanier say that they have concentrated on these in developing the LM-60. The LM-60 is compatible with Lanier's VSP-60 pocket

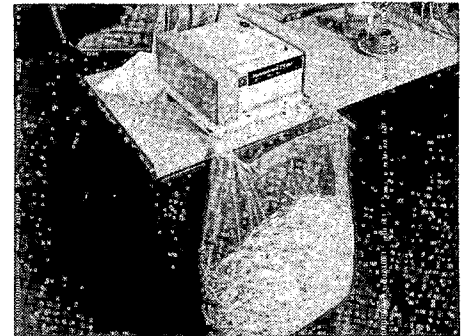
portable which uses the same 60-minute microcassettes. Lanier Business Products, 100 New Kings Road, London SW6 4LX (01-736 0171).



The Kardex personal firesafe

According to Kardex Systems you run all kinds of risks by not keeping your essential records in a fire retardant safe. The Kardex Executive Personal Firesafe, which costs a little over £100 is their answer. Paper ignites at under 194°C while in an average office fire temperatures rise to about 675°C for some 15 minutes. On test the Kardex Firesafe is subjected to 1,000°C for 60 minutes while its internal temperature stays below 140°C and it is dropped from a height of 5 metres to simulate a

building collapse. Kardex Systems (UK) Ltd, 2 Dyers Buildings, Holborn, London EC1N 2JT (01-405 3434).



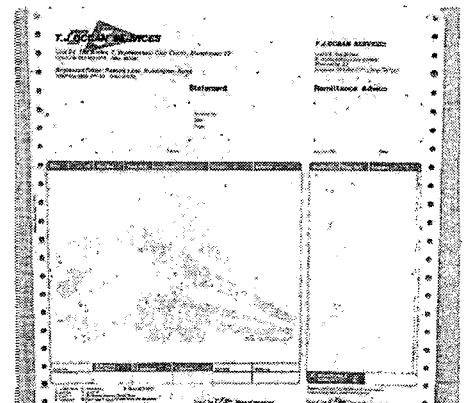
The Fordishred TT90 paper shredder

Latest in the line of office shredders is the Fordishred TT90, which finished in orange and stone, fits into offices either on a shelf, desk top, trolley or filing cabinet. It measures 206 mm by 368 mm by 346 mm and weighs 15.45 kg. Shredding 6 to 8 sheets of 68 to 71 gsm paper at a rate of 35 ft per minute (10.5 m) the TT90 costs £156 ex VAT. Ofrex Ltd, Ofrex House, Stephen Street, London W1A 1EA (01-636 3686).

Wilkes Business Forms offer a free studio design service which can incorporate multi-coloured printing and introduce a pictorial aspect to business forms. They claim that an increasing number of marketing departments are beginning to appreciate the potential of using their accounting paperwork to promote the company image. One such company, TJ Ocean Services of Manchester, use a concise, clear to read, form for continuous invoices and statements with a background illustration of a juggernaut. Wilkes Business Forms Ltd, Oxford Street, Bilston, West Midlands WV14 7DW (0902-42961).



Lanier's LM-60 desktop combines with the VPS-60 pocket portable



Pictorial business stationery from Wilkes Business Forms

Understanding Accounts

Unlike the majority of introductory books on accounts, this useful study book by F. A. J. Couldery, FCA, FCCA, FCIS, starts with balance sheets, proceeds to profit and loss accounts, and then examines the areas of practical importance — fundamental accounting concepts, cash flow and funds flow statements, depreciation, accounting ratios, valuation methods.

There are numerous diagrams and illustrations, and a second colour is carried through the book to good effect, highlighting the important features. The visual impact is quite unlike any other book in its field: each topic is illustrated as it is discussed. To the newcomer to accountancy, that must be a powerful aid to memory. The book contains many questions and fully worked answers.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.**

Please send copy/copies of
UNDERSTANDING ACCOUNTS
at £3.50 plus 30p postage (airmail £1.25)

Remittance enclosed £

Name

Address

A



Tax Savings for the Higher Paid (1979) EIU Special Report No. 61

This new edition of *Tax Savings for the Higher Paid* appears two years after the first, during which time there has been an enormous growth of interest in fringe benefits as an alternative to cash salary. Although no longer sustained by penally high marginal tax rates, it appears that fringe benefits are here to stay.

This was the first publication to provide a comprehensive review of the subject, and it has now been extensively revised and updated to take into account new legislation including the 1979 Finance Act. It covers, in non-technical language, and in detail, subjects such as company cars, pensions, medical benefits, entertainment allowances, share options and incentive schemes, golden handshakes and working overseas. The valuable tax concessions available to UK executives working abroad and to foreign nationals coming to work in the UK are explained.

The increasing complexity of tax legislation on fringe benefits has made it difficult to know how to value them. This report is intended to help employees to understand their tax position clearly and employers to get the best value for money out of their pay structures.

*Subscription Department, The Economist Intelligence Unit Limited,
27 St James's Place, London SW1A 1NT*

*To: Subscription Department (A.T.)
The Economist Intelligence Unit Limited
Spencer House, 27 St James's Place, London SW1A 1NT*



Please send ☐ *Tax Savings for the Higher Paid* (£25). Cash with order please

☐ Details of the current range of EIU Publications

Name

Address

Registered No. 563972

A

Elements of Personnel Management

As a result of technological, social and economic changes, personnel management now occupies a significant place within the organisation, and receives greater coverage in educational and training courses.

This book provides an excellent introduction to the theory and practice of personnel management and the co-authors, K. J. Pratt, MSc, FCIS, and S. G. Bennett, ACIS, MInstM, have paid careful attention to the needs of students on professional and management courses. The book focuses on the matters which are central to the personnel function, such as motivation and human relations; staffing and recruitment; appraisal and development; rewards and incentives; health, safety and welfare; industrial relations, and future change. There are numerous examination questions from the papers of the various professional and associated bodies.

The book will be of particular value to Certified Accountant students studying for the Professional Examination Part III Business Management paper, as well as students of The Institute of Chartered Secretaries and Administrators taking the Part IV Personnel Principles and Policy paper. It will also be of interest to those in practice or industry and commerce requiring an appreciation of the subject.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ**

Please send copy/copies of
Elements of Personnel Management
at £5.25 plus 50p postage (airmail £2.80)

Remittance enclosed £

Name

Address

Oiling the Wheels

The British National Oil Corporation's survival as a public sector institution under a Conservative Government now appears far more secure than it looked six months ago. There has been a change in the role of BNOC under the new administration, just as there has been a change in the role of North Sea oil in the economy, in recent years and Mr Richard Bailey a special associate of Sir Alexander Gibb & Partners, writing in the *National Westminster Bank Quarterly Review* considers that the change in role comes at a time of increasing difficulty when the need for raising oil output is greater than ever.

The failure to reach forecast production by some five million tonnes and the departure of twenty exploration rigs, so that exploration and appraisal drilling has dropped 40 per cent from the average of the previous four years, prompted the new energy Minister, Mr David Howell, to announce last July that the BNOC's powers would be curtailed.

Dual role

But the production shortfall and the rig departures were indications of problems created by BNOC's dual role as government adviser and integrated oil company. Once the action in the North Sea switched from exploration to production, BNOC's position became harder to sustain.

Pressure to refine more North Sea oil at home increased with rising prices and scarcity of supplies. Importance of oil exports to the balance of payments was emphasised by the poor performance of the rest of the economy and as Mr Bailey notes increased revenue, forecast to reach £4,000 million a year by the mid 1980s from Petroleum Royalty Tax royalties and corporation tax, was necessary to maintain the high level of government spending.

Benefits from North Sea oil have, predictably gone on increased imports of consumer goods rather than on the means of improved economic perfor-

mance and establishment of a basis for eventually improving living standards.

That is not the fault of the BNOC. It is the consequence of attempting to force the expansion of oil production without a balanced energy strategy. Mr Bailey notes that the Green Paper, *'Energy Policy, A consultative document'* of February 1978, identified options and proposed a strategy which was to be kept under continuing review.

Since then rising prices, falling supply and until forced into it by Iranian developments, the continuing failure of President Carter to introduce an effective energy policy, have combined to focus attention on oil production to the neglect of measures to stimulate the output of coal and the expansion of the nuclear programme.

'Curtailement of BNOC's powers was seen as a necessary step towards the achievement of a sound energy strategy' Mr Bailey acknowledges.

Most controversial of the new Government's moves was the contention that BNOC should sell North Sea assets to raise £400 million for the Treasury. But 'after a season of rumours punctuated by stern warnings from Lord Kearton (BNOC's chairman) Mr David Howell executed an elegant three-point turn' in mid-September.

Sale postponed

That postponed the sale of BNOC assets indefinitely but reaffirmed the intention to sell some kind of oil shares, or possibly bonds linked to the price of oil, to private investors. The importance of the trading activities of BNOC was recognised but the already imposed limitations on its upstream activities remained.

The £400 million is being raised partly by forward selling of oil and partly by the share issue whatever form it may take. But Mr Bailey considers 'The surprising thing about the government's reconciliation with BNOC was that Ministers devoted to free enterprise

principles should have taken so long to realise that disposing of capital assets has the same effect on income whether they are publicly owned North Sea oil fields or in company balanced sheets. In a mixed economy it is just as important for Conservative governments to recognise the function and importance of the public sector as for Labour governments not to make it impossible for enterprises in the private sector to make profits'.

Mr Bailey concludes 'it clearly makes sense in the world of OPEC dominated supply to keep control of what Mr Callaghan in his letter to Mrs Thatcher (on September 10th, 1979) called 'the only secure source of oil this country possesses'. He could equally well have said 'the only successful part of the economy'.

'BNOC will continue to flourish as a trading corporation, a task for which it is admirably suitable. The substitution of private for public finance for some of its equity interests will create a more broadly based oil corporation which will operate principally in the North Sea.

'Having settled the details of BNOC's constitution the Energy Minister next has to introduce a coherent policy covering the expansion of coal production and the build up of the nuclear energy programme in order to ensure adequate supplies of energy when the oil begins to run out at the end of the century.'

Directors' Pension Flexibility

The unit-linked subsidiary of Legal and General Assurance Society Ltd has developed its facility for providing 'self-administered' pension arrangements where unit-linked pension policies for controlling directors, etc are arranged with it.

The principle is that, if a normal unit-linked pension policy is arranged, at a later stage, the Legal and General will be willing to set up a self-administered scheme, and will allow up to half the fund in the unit-linked pension scheme to be withdrawn for the self-administered scheme.

Provided at least 50 per cent of the scheme assets are invested with the Legal and General, and regular contributions are at least £10,000 per annum (subject to an average of £2,500 per

Financial Accountant

annum for each member), the Legal and General is prepared to provide a wide range of services for the 'self-administered' scheme, including record keeping, trust administration and accounting, trustee and actuarial facilities.

Competitive charges are being quoted, since there is an element of 'subsidy' from the charges included in the unit-linked element. The charges for the self-administered scheme are paid in the form of premium, and thus do not attract VAT.

accounts but inflation adjustments are made on an aggregate and not a company by company basis. The Phillips & Drew figures are influenced much more by larger companies than the Bank of England's figures and large companies may well be more profitable than small ones.

Different treatment of associated companies and overseas assets and of asset lives make comparison, if not confusion, worse confounded. But for the benefit of those who consider comparison of any kind worth the candle the figures are shown below.

Phillips & Drew's conclusion is that 'industry's real rate of return on capital employed this year is undoubtedly going to decline, whichever way it is measured. Stock Exchange investors should however, be aware that the published accounts of the leading 120 listed companies suggest that their real return is substantially higher than the figures produced by the Bank of England from national accounts for all companies in the UK. Unfortunately using either published or national accounts does have problems and although the areas of difference can be pinpointed arithmetically, it is not always possible to quantify the reasons for these arithmetical differences. Nevertheless the three main reasons appear to be the large proportion of assets owned overseas by the large companies; and perhaps also the fact that large companies are anyway more profitable than small ones.

Which is the Real Return?

How low is the real return on industrial capital? The answer, according to Phillips & Drew, is that it could be nearly twice as high as the level that the national accounts indicate but that it is still dangerously low.

The stockbrokers' equity researchers admit, that from the liquidity point of view, the company sector in the UK is this year undergoing its worst year since 1974-75 and there seems little likelihood of any improvement in 1980 unless, for example, the exchange rate falls significantly over the next twelve months.

But it is considered 'important not to overdo the pessimism'. An example, it is contended, has been the reaction to recent comments by both CBI and the Bank of England that the real pre-tax rate of return on industrial and commercial companies, excluding the North Sea, in 1979 could fall below the low point of 3.5 per cent recorded in 1975.

On the basis of the national accounts it is agreed that the real return will be below 3.5 per cent in 1979. But real returns need to be assessed by comparison with the real cost of capital. In addition the real returns as based on the national accounts are much below the returns that Phillips & Drew have

derived from the published accounts of the leading listed companies whose real return in 1979 is likely to be in the 6-7 per cent range.

Comparing the performance of 120 companies with the entirety of industry is not exactly comparing like with like and neither is the method of calculation. For example Phillips & Drew and the Department of Industry agree that the mark up of capital employed from an Historical to a Current cost basis should be around 40 per cent whereas in the national account's uplift is about 90 per cent.

Expressing stock appreciation as a percentage of average stocks produces a much lower rate of inflation for Phillips & Drew, compared with Department of Industry and Bank of England sources and the depreciation uplift (current cost depreciation companies with the historic cost) is twice as high for the Bank as for Phillips & Drew with the Department of Industry somewhere in between.

The series of statistics, Phillips & Drew admit, is based on vastly different numbers and types of companies and the slices of the figures are different. Historic cost figures in the Department of Industry are derived from published

Provincial's Record

Provincial Life Investment Co Ltd has pointed out that, over its first five years, the performance record of Prolific High Income Unit Trust has been outstanding. Over the five-year period, the offer price rose from an initial figure of 50p to 146.9p, representing an average rate of capital growth of more than 24 per cent per annum. There has also been a significant increase in the net dividend per unit.

The company has said that, if £10,000 had been invested in a Provincial Life Investment Bond linked to the units on September 2nd, 1974, the bid value at September 2nd, 1979 would have been £34,964. If 5 per cent withdrawals had

Rates of Return, per cent

	Historic Cost		Real	
	Bank of England	Phillips & Drew	Bank of England	Phillips & Drew
1974	17.1	18.8	3.9	7.1
1975	15.5	16.0	3.5	6.0
1976	17.3	18.6	3.8	7.8
1977	17.0	17.8	4.5	8.4
1978	15.8	17.2	4.7	8.4
1979		17.17½*		6.7*

The Bank of England returns are derived solely from the National Accounts. Those from Phillips & Drew are based on company accounts.

*Phillips & Drew.

been taken, in addition to the £2,500 withdrawn, the bid value of the remaining units would have been £27,918.

Provincial Life says that the performance has been achieved by active professional investment management, by adopting a deliberate policy of seeking out shares with moderately high income which have potential for both dividend and capital growth, as opposed to settling for a higher immediate level of income. Looking to the future, the managers consider the nature and quality of the investment portfolio and the same active management approach should ensure consistent and impressive results. For example, they feel well placed to take very full advantage of the developments following the removal of dividend restraint.

Merging is All The Rage

Whether bigger stockbroking firms are better stockbroking firms is a debatable point but they should be less expensive or, as their advocates contend, more expensive. Following the merger of W. I. Carr and Joseph Sebag there is another merger planned among the stockbroking 'majors', Grieveson, Grant and J. & A. Scrimgeour.

Talks on a merger have been going on for more than three months but there are details still to be worked out. There is, of course, all the attendant comment that is applicable equally to stockbroking as it is to accounting mergers — 'looking forward to the 1980s not so much from survival but from leading the way'. And 'such a merger by two strong firms, whose activities are largely complementary will result in an organisation extremely well placed to take advantage of the changing environment to be expected in the 1980s'.

The 1980s 'could be quite a rough ride for the profession'. But there is strength via a merger of firms with 'a remarkable fit' of interests. No redundancies are envisaged because 'we are expanding not contracting'.

There is a decidedly familiar ring to the comments and inevitably so since factor influencing the stockbroking and accountancy professions and the major firms in them are not very far different.

Development of Registrars

A sign of competitive times in the realm of 'Share Registration' is the appearance of a brochure with just that title from Hill Samuel Registrars who rank second in size among the half a dozen main operators in the sector. There are 200 companies using the Hill Samuel service.

As the number of individual shareholders decreases and the cost of 'in house' registrars departments increases, registrars service companies are growing fewer in number and greater in volume. As a separate entity, Hill Samuel Registrars does not run the share register service at a loss to retain a client for broader purposes. But there is diversification into related fields such as membership lists and software packages in order to sustain growth.

Introduction of profit-sharing schemes by many companies offers new business and Hill Samuel, like their competitors, have designed comprehensive packages to meet this development.

Disc storage

The 1.5 million shareholders' accounts maintained by Hill Samuel Registrars are stored on discs. Full details of any account, accompanied by the relevant shareholder instructions, can be retrieved within a matter of seconds and shown on the screen of a visual display unit.

Hill Samuel systems have been designed to key into the Stock Exchange's Talisman computerised settlement system. In case anyone should wonder what precisely a registration service covers, Hill Samuel's summary of services is an accurate guide:

Maintenance of the registers of members and debenture stockholders. Certificate of transfer deeds. Registration of transfer deeds, probates, letters of administration powers of attorney etc.

Preparation and despatch of new shares and stock certificates.

Transfer audit by staff independent of the registration department.

Recording changes of addresses and dividend payment instructions.

Preparation and despatch of dividend and interest payments.

Reconciliation of unclaimed dividend accounts.

Despatch of notices of meetings, interim reports and annual accounts.

Preparation and filing with Registrar of Companies at the Department of Trade of annual returns and other statutory documents.

Attendance at Annual and Extraordinary General Meetings.

Statistical information regarding shareholdings.

Correspondence on share registration matters with stockholders and Stock Exchanges.

Immediate notification of any movement of a large number of shares.

A considerable list. And why is there this growing competition among registrars?

The basic answer is the multitude of mergers which annually reduces the number of separately listed companies requiring registration service and the dearth of new listings to replenish the supply.

Registrars are squeezed by the pincer movement of the demise by financial pressure of the individual investor and the demise by merger of so many individual companies.

Permanent Health Changes

With an increasing number of people working abroad for a few years, or travelling abroad more extensively, problems have arisen for some permanent health insurers. Normally, anyone holding a permanent health insurance policy is obliged to tell the insurers in the event of a change of occupation, or residence abroad (within certain limits).

Friends' Provident Life Office, a leading insurer in this field, has said that its policy condition in the past often was misunderstood, it being assumed that, if a policyholder should be abroad for more than three years, automatically the policy

would be cancelled by the office. Although Friends' Provident is interested in any intention to reside overseas when the insurance is arranged, subsequent travel overseas in the same occupation does not usually present any problems – apart from the process of settling claims.

As a result, under its new policy wording, Friends' Provident has dropped the clause giving it the right to cancel the policy. Now, cover applies anywhere in

the world, irrespective of where an insured person may be living or travelling. If, however, he or she is outside Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or the Republic of Ireland, benefit will be payable only for a maximum of 13 weeks during any period of 52 weeks of such residence or travel. Provided, however, the insured person returns to the UK, the disability benefit can continue to be paid, without that limitation.

to consider tax avoidance sales appeals to private individuals.

That is the professional way ahead in the industry in Mr Montague's view and his 'advice to private individuals is to steer clear. One can either be in the business of leasing containers and cater for the shipping industry's needs or play the role of the investment consultant. Not both'.

Increased Bonuses

Yorkshire-General Life Assurance Co Ltd has increased its interim rates of bonus for UK profit-sharing policies. For life policies, except for pensions business, the rate of simple bonus goes up from £5.60 to £5.80 per cent per annum. For personal pension policies and single premium contracts in the pensions business fund, the new rate is £7.00 per cent per annum, compound, compared with the last declared rate of £6.80 per cent per annum. For annual premium contracts in the pensions business fund, the rate is £5.75 per cent per annum, compound, compared with £5.60 per cent per annum.

For the time being, terminal bonuses will be paid at the increased rates announced in 1979. For pension policies, the rate is 12½ per cent of all declared and interim bonuses attaching to the basic benefit.

Krugerrands

Intergold, the marketing firm of the South African gold mining industry, has launched its first advertising campaign for Krugerrands in the UK. The campaign's theme is to emphasise the attractions of gold as a long-term investment for the ordinary saver.

A point emphasised is that 'Krugerrands, despite the lifting of restrictions on the purchase of gold bullion in Britain, are still the cheapest way to buy gold, because Krugerrands do not carry VAT'.

The aim is to get in touch with the ordinary saver without access to a professional investment adviser. The view inside Intergold is that although many people read about the price performance of gold they may not know how best to go about buying it, from where and in what form.

Finance for Containers

Investments which depend for their operation on the use of tax concessions for purposes not originally intended are coming under scrutiny. It is generally supposed that the authorities will look closely and might possibly take action on the matter of the application of intended long term tax concessions on life assurance and annuities to short term bond operations.

Another area is that of container leasing which has been making some controversial financial headlines. As Mr Robert Montague, chairman and managing director of Tiphock Container Leasing Company, says the collapse of one leasing and management company has exposed the dangers to industry, carriers and small investors of container leasing companies which finance themselves largely by offering tax avoidance schemes to private individuals.

Mr Montague's main reason for concern on this subject is that if a minority of companies in an industry works in a controversial way, the entire industry can get a bad name. He quotes property, secondary banking and travel companies as recent examples.

It hardly need be stated that Tiphock Container Leasing Company does not raise finance through the personal tax avoidance route but has grown successfully with the support of its merchant bankers.

Mr Montague considers 'container leasing is now too big and too important

an industry to be tarred any longer with the brush of simply being the latest tax dodge. Companies which depend solely or heavily on hosts of private individuals buying a container or two, to claim 100 per cent first year capital allowances will become the dinosaurs of the industry'. Mr Montague for one will be glad to see them go.

It is no secret, according to Mr Montague that 'the Inland Revenue is expected to look very hard at capital allowance claims from private investors without a clear and genuine commercial interest in the business of leasing'. But that vital point apart it surely is a managerial nightmare to attempt to give a fair container leasing deal to hundreds of small investors, many of them elderly retired people, figuratively owning containers literally scattered throughout the world'.

Container leasing is considered the most efficient, flexible and cost effective way for shipping lines and others to meet their container requirements. But finance should not come via tax avoidance loopholes but through merchant bank or institutional sources putting funds to work on a two, three, five or seven years basis to a planned growth programme.

Presently less than 40 per cent of world shipping trade routes are containerised, so there is major growth potential. Mr Montague considers well managed companies can attract ample financial support without the need even

Financial Accountant

So the aim of the campaign is to tell savers that Krugerrands can be bought easily from banks, stockbrokers and coin dealers and that the Krugerrand is the cheapest way to buy gold.

It will indeed be interesting to see the extent to which foreign exchange freedom tempts the British into buying gold. Long years of inability to buy the precious metal built up an artificial wall of something approaching disdain of people dismissed as 'gold hoarders'.

Attention directed to gold's recent price performance and to the fact that things and objectives are proved to be better propositions than stocks and shares may well see entrenched attitudes changing. Freely marketed gold and inflation are better investment bedfellows than equities and recession.

Ten Funds for Policies

Julian Gibbs Financial Services Ltd, which does not deal direct with the public, has launched the New Zealand Universal Bond, and the Universal Investment Plan which is a regular premium 'qualifying' policy.

There are a total of 10 funds. Of the two UK equity funds, where Investment Research selects the investments, one aims for all-out growth and the second is a High Equity Distribution Fund – for the conservative investor and for trustees who insist that the number of units do not reduce when regular withdrawals are made from the fund. The equity funds are investing in unit trusts, and terms have been agreed with a number of leading unit trust groups selected by

Investment Research, so as to eliminate all but a minor element of double charging. That is expected to be substantially outweighed by the above average performances and expertise of Investment Research and the performances of the individual trusts.

Some groups have agreed to forego the whole of their front-end load, and no commissions are retained by either New Zealand Insurance or Julian Gibbs.

The Special Opportunities Fund will invest initially in blocks of flats managed by Westgrove Securities; the actual audited returns they have achieved have been 50 per cent, or more, while the underlying budgets have been 23 per cent, or more. The actual returns from the bond funds would have been an average of approximately 30 per cent after tax and charges.

Julian Gibbs feel that intermediaries normally are not properly remunerated for advising clients on switching between market sectors, with the result that switching advice has not always been given – which has been to the detriment of clients. To encourage continuing advice for clients, the New Zealand Insurance Company is charging an above-average switching fee, amounting to one per cent for each switch. Half of that will be paid to the professional adviser, with a limit of a commission on two switches per year.

Shopping Around

It is currently fashionable to be bearish of retail trade prospects but in the stock market, where everything is relative – and in particular the relationship of share prices relative to assumed prospects – there are some analysts not prepared to dismiss the retail sector out of hand.

In W. Greenwell's *Stores Quarterly Commentary* it is admitted that the stores sector has under performed the market for two months before the most recent break in prices as the result of dull retail sales in the third quarter, a marginally disappointing interim results season and anxiety over prospects in 1980.

For the remainder of the current retail year to the end of January, much will depend on the proportion of the October tax rebate directed towards the retailer. But even if the Christmas trade is below expectations profit growth for the sector in 1979–80 is expected to emerge at about 15 per cent. That, Greenwell considers, is unlikely to disappoint in the context of the results produced by the market as a whole.

Prospects for 1980–81 may be unexciting in terms of volume sales but the implications of this for profit growth are not necessarily too severe. Profit growth in 1980–81 could reach 10 per

cent and on that basis the sector would be unlikely to suffer by comparison with the market. And as the inflation rate rises it is worth remembering that the stores are relatively well placed not only to cope with but even on occasion to benefit from it.

In addition to the relatively favourable profit outlook the sector 'enjoys a strong liquidity position, is relatively free from gearing and enjoys various basic cash flow advantages at a time when pressures on corporate finances as a whole is set to increase'.

So despite the uncertainties of the next twelve months Greenwell 'remain relatively optimistic about the sector' and even advise funds 'to use any further short-term weakness to build up holdings to average levels'.

Great Universal Stores 'A' shares are considered to offer the best value of the three sector 'giants' while Sears Holdings is the one share to be rated an unequivocal 'buy'.

UDS Group share are 'not expensive'. It is 'certainly not the right time to sell' Woolworth. Debenhams on a 12 per cent yield basis 'look well underpinned' while in Marks & Spencer it is considered advisable 'to maintain an average weighting'.

Far Eastern Views

During the major part of 1979, Henderson Far East Trust held a large part of its capital on deposit as, until recently, the Far East markets remained relatively weak. Lately, in the view of the managers, signs of recovery have developed in the economies of certain South-east Asian countries, particularly in Japan, and they believe there is considerable potential for capital appreciation over the next 12 months, or so.

Apart from the performance of underlying Japanese shares, the trust has been 'exposed to currency movements, which are now looking more stable. Taking all factors into account, the managers consider that investment at the current level represents a good opportunity.

City Notes

Take Your Medicine

Minimum lending rate at 17 per cent, another six months of the corset, an extension to the M3 money supply target, more 'Tap' stocks, 15 per cent interest on the National Savings Bank special account, another £500 apiece in granny bonds, a new Savings Certificate issue and £700 million of petroleum revenue tax pulled forward to make good the phone bill gap.

And what will that little lot do besides stiffening sterling and the stock market for a while? In the dear, dead days, of course, something like it would have turned off the spending tap and all, if not sundry, would have toed the required line and the short sharp dose of nasty medicine would have had the required purgative effect.

But now? People look at 17 per cent MLR, consider it is going to put prices up still further and spend their money faster before it loses buying power. Trade unions look at MLR the same way and demand higher wages, strike for them and get them.

If inflation is to be mastered by head-on confrontation and doctrinal monetarism then the price of the mastery is going to be desperately high.

Communication

It is indeed a sad commentary on the current state of economic and industrial life that it increasingly resolves itself into a series of confrontations. It may well be the so called development of communications that is to blame. Thoughts and reactions are instantly transmitted and exaggerated and immediately create exaggerated reaction.

There is instant confrontation in the EEC over British lamb or French apples or anybody else's anything. There is instant strike over wage claims, when the claims have barely been made, let alone negotiated. Strike is the order of the instant day not because negotiations have broken down, but because they might.

It is increasingly easy to be in

sympathy with that Secretary of State for India who deplored the opening up of air routes to South East Asia and Australia because they would bring back in a week an answer to a question which would otherwise have been buried for months.

There is a case for 'more mature consideration' which means 'second thoughts'.

Is it possible that national reaction to the Government's economic policy will in fact induce a more considered response? Is it possible that people in trade unions, for example, will consider that to an extent they have the answer to inflation in their own actions?

Is it possible that the Government will be able to set its own example? If

Government is responsible for more than half the economy, then Government itself is responsible for taking the action so earnestly advocated as being essential to the national well being.

But if, for example, local authority wage demands are considered too high and the Government refuses to print more money, will local authority staff be cut or will spending on capital works be cut?

In that case the private sector will increasingly carry the anti-inflationary burden. The danger is that present policies could lead to an even greater monopoly of the nation's economic product through monetarism's enforced reduction of the private sector's contribution.

Rates and Prices

Closing prices, Monday, November 19th, 1979

Bank of England Minimum Lending Rate				Money Rates								
May 12, 1978	.. 9 %	Mar 1, 1979	.. 13 %	Day to day	16 $\frac{1}{8}$ - 16 $\frac{3}{8}$ %	Bank Bills						
June 8, 1978	.. 10 %	April 5, 1979	.. 12 %	7 days	.. 16 $\frac{1}{8}$ - 16 $\frac{3}{8}$ %	2 months	.. 17 $\frac{1}{16}$ %					
Nov 9, 1978	.. 12 $\frac{1}{2}$ %	June 12, 1979	.. 14 %	Trade Bills		3 months	.. 17 $\frac{1}{16}$ %					
Feb 8, 1979	.. 14 %	Nov 15, 1979	.. 17 %	1 month	.. 18 $\frac{1}{4}$ %	4 months	.. 16 $\frac{3}{4}$ %					
Finance House Base Rate				2 months	.. 18 %	6 months	.. 15 $\frac{1}{4}$ %					
November 1st, 1979, 14 $\frac{1}{2}$ %				3 months	.. 17 $\frac{1}{2}$ %							
Certificates of Tax Deposit				Three Months' Rates								
August 3rd, 1979:				Local authority deposits	.. ..	17	-17 $\frac{1}{8}$ %					
interest on payment of tax 14 % + 0 % per annum				Local authority bonds	.. ..	17 $\frac{1}{2}$	-17 $\frac{1}{4}$ %					
withdrawn for cash 11 %				Sterling deposit certificates	.. ..	17 $\frac{1}{16}$	-16 $\frac{3}{8}$ %					
FT Industrial Ordinary Index				Euro-sterling deposits	.. ..	16 $\frac{3}{8}$	-17 $\frac{1}{8}$ %					
November 19th, 1979, 411.3				Euro-dollar deposits	.. ..	15 $\frac{1}{4}$	-15 $\frac{1}{2}$ %					
				Inter-bank rate	.. ..	17 $\frac{1}{8}$	-17 $\frac{1}{4}$ %					
Treasury Bills				Foreign Exchanges								
Sept 14	.. £13.4027 %	Oct 19	.. £13.3646 %	New York	.. 2.1820	Frankfurt	.. 3.8450					
Sept 21	.. £13.4131 %	Oct 26	.. £13.4713 %	Montreal	.. 2.5725	Milan	.. 1794.50					
Sept 28	.. £13.3638 %	Nov 2	.. £13.4868 %	Amsterdam	.. 4.3000	Oslo	.. 10.9325					
Oct 5	.. £13.3244 %	Nov 9	.. £14.7581 %	Brussels	.. 62.3500	Paris	.. 9.0350					
Oct 12	.. £13.3615 %	Nov 16	.. £16.1843 %	Copenhagen	.. 11.3750	Zürich	.. 3.5775					
Gilt-edged												
Consols 4 %				31 $\frac{1}{4}$	Treasury 13 $\frac{1}{2}$ % 1997			96 $\frac{1}{2}$				
Consols 2 $\frac{1}{2}$ %				21 $\frac{1}{2}$	Treasury 9 $\frac{1}{2}$ % 1999			75				
Conversion 3 $\frac{1}{2}$ %				34 $\frac{3}{8}$	Treasury 9 % 1994			70 $\frac{1}{2}$				
Funding 3 $\frac{1}{2}$ % 99-04				36	Treasury 8 $\frac{1}{2}$ % 84-86			83 $\frac{1}{2}$				
Funding 5 $\frac{1}{2}$ % 78-80				95 $\frac{1}{4}$	Treasury 8 $\frac{1}{2}$ % 87-90			70 $\frac{1}{2}$				
Funding 5 $\frac{1}{2}$ % 82-84				77 $\frac{3}{4}$	Treasury 3 $\frac{1}{2}$ % 77-80			95 $\frac{1}{4}$				
Funding 5 $\frac{1}{2}$ % 87-91				61 $\frac{1}{2}$	Treasury 3 $\frac{1}{2}$ % 79-81			91 $\frac{1}{2}$				
Funding 6 % 1993				58 $\frac{1}{4}$	Treasury 5 % 86-89			60 $\frac{3}{4}$				
Funding 6 $\frac{1}{2}$ % 85-87				72 $\frac{1}{2}$	Treasury 5 $\frac{1}{2}$ % 08-12			45 $\frac{3}{8}$				
Treasury 13 % 1990				95 $\frac{1}{2}$	Treasury 2 $\frac{1}{2}$ %			19 $\frac{1}{2}$				
Treasury 12 $\frac{1}{2}$ % 1993				92 $\frac{1}{4}$	War Loan 3 $\frac{1}{2}$ %			28 $\frac{1}{2}$				
Retail Price Index (Jan 1974=100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2	235.6		
Tax and Price Index (Jan 1978 = 100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2	117.6		

Some Failed to Glimpse the Obvious

Examiners' Report on PEII

The examiners' report on the July 1979 PEII contains the usual criticisms of candidates' inability to write clearly and grammatically, their failure to produce logical arguments and their problems with interpreting even straightforward questions accurately and so devoting needless time and energy to irrelevant points. Great care needs to be taken in the presentation of answers – the examiners make it quite clear that they take scrappy and untidy writing or careless punctuation into account.

With an exam as difficult to pass as PEII, it seems a shame that so many unnecessary marks are lost. For example, in the Auditing paper, bad spelling and punctuation, untidy writing and numerous alterations work to the disadvantage of the candidate – in the examiners' words, 'because they mar his ability to communicate with the examiners or to think clearly and coherently when immersed in so much general confusion and vagueness of his own making'.

Superficial knowledge

Another major criticism appears in every paper – that candidates' knowledge of subjects is often superficial. They can recite/regurgitate the facts from their study manuals, but without fully understanding the principles involved. This obviously leads to confusion when they are asked to develop or use these principles.

In the Auditing paper, two questions on the Auditing and Accounting Standards Committees gave scope for detailed consideration of current problems affecting the profession, but candidates failed to appreciate the wider issues involved. In fact, the majority were 'content merely to expand certain phrases from each question and to set out their knowledge of those aspects'.

Very few mentioned the booklet *Setting Accounting Standards* [*The Accountant*, September 28th, 1978].

In the Elements of Financial Decisions paper, candidates 'remained unable or unwilling to present a reasoned discussion of the principles and problems underlying the methods they used'. In the fourth question, comments on the limitations of mathematical formulations revealed a lack of appreciation of underlying principles and assumptions.

Apart from standard and general problems, it was surprising to find that candidates seemed to have a weak knowledge of accounting standards and exposure drafts. 'Accounting for Foreign Currencies' [ED21, *The Accountant*, October 6th, 1977] is admittedly not the best known and discussed, but there were some very basic mistakes made – such as confusion between the terms 'translation' and 'conversion'. Discussing the closing rate method, most candidates concentrated on the drawbacks and many actually 'could think of no greater merit than that it was easy to calculate'. Poor expression resulted in low marks in this and in the following question on post-balance sheet events.

The question concerning a consolidated statement of source and application of funds was generally answered well. Some candidates attempted to hide their lack of knowledge of SSAP10 [*The Accountant*, July 31st, 1975] by saying that they were not following it as it was only advisory! Unfortunately, they were unable to propose an alternative method.

The Management Accounting paper showed a slight improvement over December 1978, with the pass rate increasing from 41.9 per cent to 45.6; but the same problems were evident. The paper was designed so that 'one-third of the marks can be picked up fairly easily, one-third are harder and one-third

difficult to obtain'. Many candidates threw away the easy marks through carelessness; the standard of logical argument was low, and presentation very scrappy. In particular, the examiners found many answers to question 2 (c) incomprehensible. There was also considerable repetition of material that could have been set out in tabular form. The compulsory questions were answered better than the optional ones.

Candidates' inability to analyse incomplete information and sort the relevant from the irrelevant was shown in question 3 – answers were either confused or inadequate, and generally 'very poor'. Interpretation of information was slightly better in the next question but careless mistakes were too common – in particular, treating 33½ per cent on cost of sales as 33½ on sales, in treating depreciation as a cash flow, and 1 per cent growth as 10 per cent growth.

Disappointing

Results in the Taxation paper were disappointing compared with last year, the pass rate dropping from 55.9 to 46.5 per cent, with an unexpectedly poor response to the major question on relief for advance corporation tax. This was devised to enable candidates who had mastered the concept of ACT to score well; but 'The astonishingly low average mark indicates clearly that most of them simply do not understand the question at all . . . Given the current significance of ACT, which for many companies is the only tax they pay, candidates at this level should be far more proficient in its working'.

Calculations of corporation tax liability were done moderately well, but there were some problems in computation elements – few realized the necessity to distinguish interest payments between trading expenditure and charges on income, or were aware of the 1978 innovations with regard to the reasons which might be advanced in favour of retention of profits. The VAT question was answered poorly, but the examiners put this down to the time element. Few could accurately describe the taxpayer's rights to vary the usual method of determination, and there remains inexplicably a widespread misconception that it is the Inland Revenue who administer VAT!

New Diet for Association Students

The Association of Certified Accountants has proposed major changes in its examination system. A draft of the proposals is being sent to teaching institutions and private tuition centres for any comments.

For just over two years, the Association's examination committee, headed by Professor J. R. Small of Heriot-Watt University, has been reviewing the present examination structure. The proposed changes are not intended to raise standards or in any way to move from the present 'open door' policy, but to introduce a degree of flexibility into a system that is considered far too rigid. The new system should give more flexibility, not only for students but for teachers and employers.

'No student should be denied the chance of a professional qualification because his employment, or educational method, or geographical location does not comply with some rigid pre-determined pattern', the Association

maintains. 'We believe that the proposed new structure, with its flexibility, allows for this in even greater measure than at present'. Considerable numbers of overseas students are registered in 'unstable' countries where the educational facilities are not adequate or where, for one reason or another, it would be impossible for a student to embark on a course requiring a period of articles. The Association aims to give such people a chance to become qualified accountants; in pursuit of this aim they run exams even in places most people would avoid such as Beirut, Kampala and El Salvador! Although this can mean that many students are registered for long lengths of time, they do get the opportunity to complete their accounting education: for example, many students in Nigeria left accountancy far behind during the Biafran war, but a heartening number returned to pass the final stage once peace was restored.

The present five sections will be

replaced by three 'levels', and papers in the first two levels may be taken in any order and combination. However, passes in level I will be valid only for the next two consecutive diets until the whole level has been completed, and passes in level II for the next six consecutive diets. A student must still pass, or be exempted from, all papers at each level before moving on to the next.

The other major change to the system is the introduction of optional subjects in level II, reflecting the range of employment of Certified students. They will be able to choose, for instance, between Executorship and Trust Law and Accounts (previously compulsory), Employment Law and Industrial Relations, Managerial Economics, Public Sector Accounting or 'any such other options as the Association may from time to time specify or accept'. This leaves the way open for any greater flexibility in the future and a certain degree of specialisation.

Comments and suggestions

The new structure is planned to begin in June 1982, and comments and suggestions will be received until April 1980. Students will be kept informed via the Association's students' newsletter.

Conversion arrangements, a system of cross-credits and the exemption policy, have yet to be announced. The Association will also be publishing descriptive syllabuses with pilot papers and book lists.

Comments should be sent to the Academic Secretary at 29 Lincoln's Inn Fields, London WC2A 3EE.

PLUS ÇA CHANGE...

'Why some students fail A lack of special attention in writing, style and grammar; a want of training in independent thought and reasoning of book-keeping questions, and relying too much on gaining knowledge of this subject from textbooks; . . . [and] . . . insufficient care exercised in reading the questions carefully and making concise and accurate replies, and making arithmetical errors through carelessness.'

From *The Accountant* of June 5th, 1926.



Mr David Richards, FCA, President of the Institute of Chartered Accountants in England and Wales, (centre) poses proudly with six student prizewinners from his own firm, Deloitte Haskins and Sells. From left to right are Simon Robson, Paul Dowling, Laura-Ann Storrock, Michael Berrisford, Kevin Ingram and Simon Morris.

Smiling Through

by An Industrious Accountant

Twice yearly our profession's students preparing to face their exams, foundation or professional, get a rush of blood to the head. Like lemmings seeking the sea, they swarm down on those local law or tax or audit experts who know how to pass on knowledge.

In the past, each Institute – chartered, certified or cost and management – arranged lectures separately; but this year chartered John met certified George at the door of the executorship law expert. Their brilliant reaction was to seek joint grinds, and the next week the cost and management chaps offered alliance. Clearly all had to study economics or financial management or computers, so why not plan to merge where possible and cut the fees per head?

The senior committees heard and approved and spoke helpfully of watching briefs and special grants and future expansion, so next week a joint group of senior accountants asked me to act as course director at a fee too good to refuse. Nothing to it, they smiled; just collect students' fees, advise them on future careers, arrange stand-in speakers as a precaution, monitor the compatibility of the syllabuses, and brief the committee regularly.

Old boy basis

They settled down briskly to appoint the lecturers themselves, generally on an old-boy basis, with John and George and Henry listening quietly because three speakers were debatable. The approved list read like our national masterminds. Then they bade me contact the speakers to fix dates and hours and, just in passing, to find a building with all the amenities to house the horde thrice weekly. Luckily the three juniors had planned a provisional timetable to suit their comrades' spare-time and it needed no significant changes.

I phoned the chosen experts on whose skills would depend some sixty successes and attended on them one by one. I got rather short shrift. They had already

heard the good news unofficially, and tended to smile briskly and say they'd been lecturing for years, and was there anything I wanted?

How about handouts with problems/answers/explanations, I asked. Several showed well-worn sheets of notes; most said 'yes, yes, later', and one clot produced a folder full of dog-eared cut-out articles from the *Financial Times*.

Slightly surprised, I invited a dozen student representatives to a coffee supper, and circulated a list of lecturers to be ticked: so many marks out of ten for material quality, handouts, efficiency, and acceptability. They were sharp as razors, with judgements detailed and precise, and some big reputations were shot down. So-and-so was always late, another a bright chatterer but short on answers, a third read slowly from a book and evaded questions. My students had listened to them previously in the commercial college, wasting valuable time, careless of young ambitions; their faces were angry. 'No way', they snapped, 'no way. Big shots or not, get somebody else'.

I reported back to the senior committee, who were rather shocked to learn I'd sought the students' views. A bad precedent, they suggested, which could be construed as an insult if not libellous, but they grinned at the views reported and agreed that he who paid the piper called the tune. The most unwanted lecturers were thereupon scrapped and replaced, but some of their friends blamed me for their downfall, and sharp remarks were exchanged.

My morale was improved by swaggering into our best hotel and inquiring for seven rooms on Fridays at 7 pm and on Saturdays at about 9 am, for about three months, for highly sophisticated financial lectures, but it was shattered when students were mentioned. 'No deal', said a supercilious sub-manager; students ate greasy chips, smoked and burnt carpets, walked in appalling garb through the lounge, and spent nothing. 'No deal'.

I visited our two big local schools next, explaining that we were insured against any and every damage done and would pay our way. The first manager hummed and hawed and said he'd have to put his porters on overtime, which meant union trouble. Sorry, no deal. The second said that the trustees wouldn't like it. Sorry, old man.

Our local typing college graciously made rooms available, fitted in between pretty girls learning foreign languages, commercial duties, and job applications. My students didn't object at all; ideal, they said!

At this stage it seemed essential to ensure that the subjects in the various syllabuses could be merged fully. Could I assume that a lecture on business management for Institute One's students would also cover Institute Two's students for organisation management; or that P2 tax lecturers did indeed cover the curriculum to the point where the P3 strugglers took over?

The problem was the daft titles of the subjects. It was clear that economics or statistics were the same in each final examination, and that Accounts 1 likewise was the same as Financial Accounts, for the beginners. Costing, however, appeared at various levels, and Accounts 2 and Management Accounts elsewhere also stood for costing. Considerable confusion of the assorted titles existed, bewildering at first-glance. There were such titles as Accounts 3, Financial Accounts, Advanced Accounts, Management Maths, Accounts 4, Accounts 5, Financial Management, and Management Accounts. Such odd titles as Quantitative Methods, Economic Analysis, Corporate Planning, might mean almost anything. I spent an afternoon listing the similarities and the lone items and felt like screaming.

Baffling

Why accountants of all men should tolerate such nonsense is baffling, unless it is just an effort to be different. The victims were the younger students, nervously aware of failure, phoning to ask which was what, if not why, and shaken by the incredible recommended reading lists.

This time John and George took over. They knew the drill, they said grimly.

Student Roundabout

There were several members who'd passed P1 and P2 but not P3, after multiple efforts, and they'd fix some meetings to clarify the similar headings and prepare lists as necessary. We could cut out a lot of junk, they said, judging by past exam papers, and they could pinpoint the important sections to be emphasised.

A period of comparative peace followed, with regular visits from worried students passed on to me by the local societies. Many had failed before, or lived too far out to attend regularly at the commercial college, but they knew that a final exam passed was a passport to a better job. They drank coffee, told stories of hard-hearted bosses, and asked what pay they might expect when qualified.

The first meeting at the typing college was rather a shambles. Most of the students had obediently paid me their course fee, and I had shrewdly used a special badge as receipt in return, but it now transpired that some had paid their local branch direct, and at least four generous employers had done the same. As a result students either arrived bebadged, or badgeless because they'd left it in the office, or were John's friends wanting to register there and then, or were polite gate-crashers. However, about twenty more than were registered entered the rooms.

The business of entering rooms caused considerable friction. Never having experienced such a function before I had assumed I'd greet the lecturers on arrival and later enter one room or another silently, to listen and learn on a back chair. Advanced Accounts or Quantitative Methods would surely be enlightening. Besides, I could study the teacher-learner relationships and the flaws, if any, in the system.

Vanishing greetings

To my astonishment the senior committee-men had objected flatly; the lecturers would object, they said, would feel spied upon, might be insulted, and indeed the students might agree. I said I'd a second string only too ready and willing to earn the fees if there were any non-starters, and if any lecturer protested he probably had a guilty conscience – but they were adamant. So I dropped the greetings and noted any

really late arrival of the lecturers; the worst sinner was told he needn't stay as his understudy had taken over for the morning. He was on the dot afterwards, but his greetings also vanished pointedly.

The students greeted nobody. They just hadn't time, clattering through the gate in battered old bangers, hurrying back and forth from room to room, questioning, arguing, swopping notes, noses in books or in coffee cups, scarcely talking to the pretty girls on the stairs.

Twice their representatives came to negotiate extra sessions in tax or in

quantitative methods and to point out that if the costing lectures continued to overshoot 8 pm, while corporate planning began at 8.5 pm, they hadn't time to talk or smoke or hurry upstairs. Besides, the accounts lecturer had come in sozzled and spent most of the time drinking water and attacking capitalism. Such problems solved, I became almost superfluous and sat reading on the first floor beside the entrance.

I never learned how my sixty fared; none phoned or wrote to say thanks afterwards. So much for youth.

The French Way

For those of you struggling with your studies as the spectre of professional exams approaches – cast your mind across the Channel and compare your lot with your French brothers and sisters, who have to prove their professional knowledge, experience and competence in rather a different way. In order to qualify as an *expert comptable*, a student must research and write something very similar to a university doctoral thesis.

Unlike the British system, the accountancy profession in France and most other European countries is state-controlled. Information for candidates, issued by the Ministry of Education, appears in a recent edition of the French accountancy student magazine, optimistically entitled *L'Expert Comptable de Demain*.

The thesis, or *mémoire*, takes place in two stages. First, the candidate chooses a subject relevant to the activities of the profession (they range from discussions of standards to the problems of financial management in private hospitals) which also bears a close relationship to his or her work experience. There appears to be plenty of scope, but a detailed submission must be handed in, including some idea of how the student intends to approach the subject, what information will be needed and how he or she will get access to it.

The submission is studied by a jury consisting of accountants, other professionals such as lawyers, various academic professors and heads of industry. They will offer the candidate fairly detailed advice which it is strongly advisable to observe.

Once the *mémoire* has been completed it is examined by two members of the jury specifically chosen for their expertise in that subject. They take virtually everything into account – a brilliant theoretical piece alone would not lead to qualification. The examiners expect to see a logical progression of ideas clearly communicated to the reader; the exposition should demonstrate an understanding of all the legal and accountancy issues involved, a sense of innovation and imagination and a keen critical faculty. Source material and non-original ideas have to be acknowledged in a detailed bibliography and the author has to show how the thesis relates to his own practical work experience. Possible criticisms and defences against them should be included and the candidate is also expected to discuss his work orally.

Rather than specify the number of words, the Ministry suggests aiming for about 80 pages of text (and the size of paper and width of margins is also specified!) If the jury are satisfied that the student has amply demonstrated his ability to practise he or she becomes an *expert comptable*.

The students themselves claim to feel a real sense of achievement as the *mémoire* is the first dossier that they have built up themselves and it gives them a base on which to start their professional career. It is apparently not unusual for newly qualified accountants to hand out copies of their *mémoires* to their clients! Certainly, unlike exams, the thesis is always there to remind you of what has been achieved.

Notice Board

PROFESSIONAL NOTICES

Thomson McLintock & Co, Chartered Accountants, announce the appointment of Mr Malcolm Gammie, solicitor, as director of their national tax office.

APPOINTMENTS

Mr C. P. Austin, FCA, has been appointed executive managing director of Francis Sumner (Holdings) Limited.

Mr Harold Franklin, AMBIM, has been appointed chief accountant for Smarts Laundries (London) Limited.



Mr H. Franklin



Mr M. Windsor

Mr Mervyn Windsor, FCA, group chief accountant of Pilkington Brothers Limited has additionally been appointed a director and group treasurer.

Mr Stuart Kirk, BCom, ACMA, has been appointed to the board of Bibby & Baron Cartons Limited, Bury, Lancashire.

Mr J. C. W. May, ACCA, has been appointed managing director of Swiss Instruments and Components Limited.

Mr Colin North Smith, CBE, FCA, a partner in Peat, Marwick, Mitchell & Co, has been appointed by the Secretary of State for Trade to be chairman of the Policyholders' Protection Board.

Mr Gordon Thomson, MA, CA, joined the board of R. Paterson & Sons Ltd with effect from November 12th, 1979.

OBITUARY

Clarence Wintle

We have learned with regret of the death of Mr Clarence Wintle, FCA, at the age of 90. Mr Wintle, who was admitted as a chartered accountant in 1919, retired in 1957 after 35 years as a partner in the Birmingham practice of Charlton & Co.

NMG EXTENDS DEADLINE

A considerable number of people interested in taking part in the 1980 National Management Game are still asking for entry forms. The sponsors have therefore decided to continue to accept entries up to **December 3rd, 1979.**

Applications should be addressed to the National Management Game, c/o International Computers Ltd, Victoria House, Southampton Row, London WC1B 4EJ (01-242 7806). The entry fee for the 1980 competition is £75.

REGISTRY OF BUSINESS NAMES

Change of Address

The Registry of Business Names is to move from its premises at Pembroke House, 40-56 City Road, London EC1Y 2DN after the close of business on November 30th, 1979. From December 2nd the Registry will be located on the second floor of Companies House, 55-71 City Road, London EC1Y 2DN. The telephone number (01-253 9393) will remain unchanged.

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

Unpaid Subscriptions

The Secretary of the Institute of Chartered Accountants in England and Wales announces that 162 individuals have ceased to be members by reason of non-payment of the 1979 subscription. A further 78 whose membership was terminated for the same cause had since been readmitted by the Council.

Bye-law 40 provides for the automatic termination of membership in all cases where the amount of the subscription is not received at the Institute by June 30th in each calendar year. The Council has a discretion to readmit those who are in breach of this bye-law, but wishes it to be known that this discretion will be exercised, if at all, only on terms recognising the burden which delayed payments impose on Institute resources and thus on members generally. On the basis of recent experience, this can be expected to involve payment of a sum of not less than £30 in addition to the amount of the subscriptions.

Re-Admissions

The Institute of Chartered Accountants in England and Wales has announced the following re-admissions to membership.

Under bye-law 34:

Malcolm Jack Hewitt, ACA, Sunderland, Tyne and Wear.

Roy Garrod Titterton, FCA, New Jersey, USA.

Lionel Charles Cyril Tye, FCA, Wokingham, Berks.

Under bye-law 93:

David George Hannah, ACA, Deepcar, Sheffield.

John Foord

chartered surveyors
plant and machinery valuers



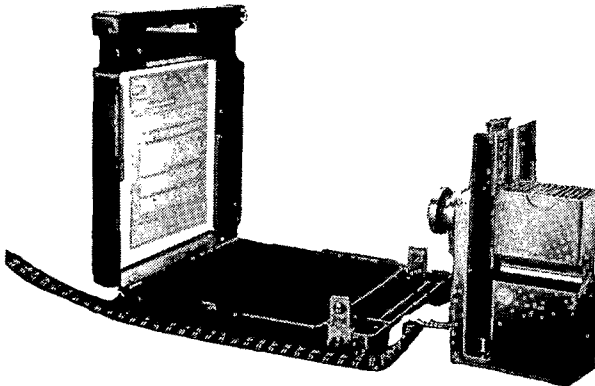
Victoria Valuers

stocktaking
inventories
and asset
valuations

9 Golden Square
London W1R 3AF
01 434 1718

**industrial
retail
wholesale**

stocktakers and advisers on stocktaking procedures



**A company search costs just 93p with a
Fichette for only £93**

A typical company search costs £5 to £8 but we provide London Reading Room microfiche in your hands for only 93p. So how long will it take to save £93—the cost of a Fichette, one of the most advanced microfiche projection systems in the world and an internationally acclaimed, all-British product. Only 150 mm high and weighing just 1.3 kg., Fichette comes complete in its own carrying case with microfiche file, integral screen, mains connector and spare lamp.

Keep it in your desk—take it in your briefcase. Easy to use, Fichette is a most reliable and versatile little unit that you cannot afford to be without.

To get your Fichette and take advantage of this low cost L.R.R. microfiche service simply send us your letterhead and cheque for £106.95 inclusive of VAT. By return we will send your Fichette complete with one year guarantee, initial pad of search request forms and receipted VAT invoice.

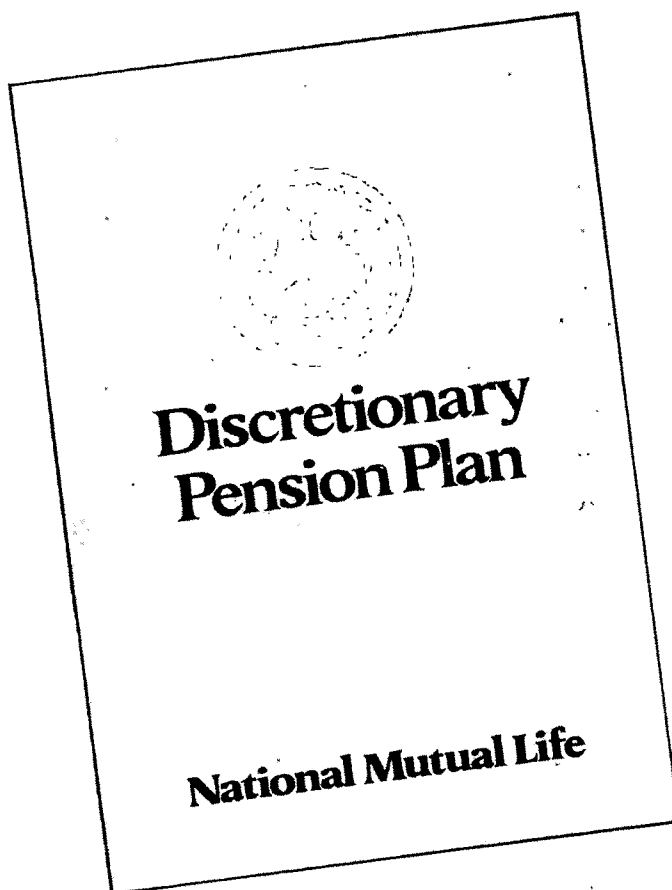
Please address your envelope to:

**Microform Communications
International Limited**
C.S.D. 3.,
41 Barton Road, Water Eaton
Industrial Estate, Milton Keynes
MK2 3EG, (Tel: 0908 77296).



You can look forward to an easier life selling our I.P.A.

We call it the D.P.P.



- ☐ Competitive rates.
- ☐ Free cover available for one life.
- ☐ Generous early retirement terms.
- ☐ Open Market Option.
- ☐ Life assurance continuation option.
- ☐ Clear, attractive presentation.
- ☐ Efficient administration.



National Mutual Life

National Mutual Life Assurance Society (Founded 1830)
5 Bow Churchyard (off Cheapside) London EC4M 9DH
(Registered Office) Telephone: 01-236 1566

Registered in England No. 48949C

Member of the Life Offices' Association



THE

ACCOUNTANT

ESTABLISHED 1874

NOVEMBER 29th, 1979

30p



Insurance for
Business

Protected Eagles No.5

Golden Eagle

Probably the world's best known large eagle.
A true or booted eagle, found in mountainous regions
throughout the northern hemisphere. It can
soar for hours and, in a dive, reach up to 200m.p.h.
Like all eagles, it is a protected bird.



With 160 U.K. branches you can rely on our
countrywide insurance service for your protection. Millions do.
Ask your broker or call in at your nearest branch.



Eagle Star Insurance

Editor:
M. Barradell, LLB, FCA
151 Strand
London WC2R 1JJ
Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5470

NOVEMBER 29th, 1979

In this Issue

758
Economy and Productivity

764
Insurance Feature

777
**First Loans Agreed
From Subsidy Fund**

779
Restrictive Covenant

783
The Wages of Sin

790
**Statistics – Queueing Theory
Stanley Letchford, BSc, FIMA**

Current Affairs 758

This is My Life 762

Accountant Abroad 777

Revenue Report 779

Financial Accountant 783

Letters 789

Student Roundabout 790

Notice Board 795

Cover: Fire ranks large in most minds as one of the major insurable perils. This and other aspects of a balanced insurance portfolio for business risks are discussed in this week's special insurance feature on pages 764 to 776 (Picture by Nu-Swift International Ltd).

Passing the Buck

In September Mr Heseltine, Minister for the Environment, published a White Paper which advocated the scrapping of many controls of local government. This was warmly welcomed by the local authority associations; but the financial strait-jacket in which the Government has put local authorities with threats of *ultra vires* and penalties for transgression puts local government in an unenviable position.

Last year the Labour Government's incomes policy broke down. Their stratagem of sanctions against the private sector was thrown out by Parliament; their last line of defence against the public sector was crushed by the wrath of the poorer-paid workers, organised by NALGO and NUPE, in the now infamous Winter of Discontent. This year – due largely to the engineering strike – has seen more days lost through industrial action than in any year since 1926, and we still have the winter and new wage-round to come.

This Government denies that it has an incomes policy; and some commentators are less than certain that it has any dialogue with the trade unions, or any means to curb their power. The trade unions themselves are not a coherently organised force, the TUC having no more authority than the powers of persuasion. Each union looks after its own and has no concern except to better its rivals. The Government's monetarist beliefs and threats of massive unemployment cannot bite until the consequences have come to pass.

Where local government has been put on the rack is their responsibility to pursue an unspoken incomes policy on the Government's behalf. The rate support grant, fixed at the same level as last year's 61 per cent, does not allow cash to fund pay and price settlements above 13 per cent. With inflation already approaching 20 per cent and the Government condoning higher charges for gas, electricity and transport which will hit the lower-paid hardest, it is hardly likely that the public sector workers will accept a cut in living standards while their brothers of industrial strength can muscle in on the 'free-for-all'.

The scene may thus be set this winter for another public sector wages battle with all the attendant hardship and recrimination. A possible lesson for governments (of whatever colour) is that incomes policies by the back door not only do not work but also generate sympathy for the strikers and unpopularity for governments.

The present Government is manifestly not frightened of unpopularity. But, since trade unions are not responsible for the economy, the Government has to shoulder the responsibility. It is arguably not the duty of government merely to point out the consequence of market forces, but to attempt to influence those forces.



Economy and Productivity

The Government's economic policies featured largely in speeches at two recent ICAEW District Society dinners. Proposing the toast of the Institute at the North West Society's dinner in Blackpool, Mr John Richardson, MA, FCBSI, deputy general manager of Burnley Building Society, recalled that he was speaking on the very day that the societies' lending rate had been raised to a record 15 per cent.

'We must restore some sense to our economy', he said. 'The consequences of failure are too terrible to imagine.'

Replying to the toast, ICAEW President Mr David Richards, FCA, said that the change in Britain's economic policy, and its effects upon management, represented the most important change in the business world for some time. Company reports had long complained of over-taxation and an excessive degree of Government interference; now many controls have gone and the penal rates of tax have been removed. The first priority must be to increase output.

Mr Richards returned to the same theme at the Liverpool dinner, where the Institute toast was most entertainingly proposed by Circuit Judge F. D. Paterson in a speech which, by common consent, was one of the best to be heard for many years. 'Follow that if you can', observed Mr Richards ruefully. 'Does anybody want to take my place?'

Liverpool's President, Mr L. D. Hayward, FCA, reinforced the 'productivity' theme in the course of his toast to the guests. Recalling that Liverpool supported 'two moderately well-known football teams', he inquired whether any group of workers on a Monday morning would adopt for themselves the same standards as those which they expected to see from their team on Saturday afternoon – a relentless discipline, all-out effort, one short refreshment break, and judgment strictly by results. The consequences of such an approach would surely be dynamic!

Among the guests at the Blackpool function was Lancashire's County

Treasurer Mr W. O. Jolliffe, IPFA, FCA, who is doubly distinguished both as this year's President of the Chartered Institute of Public Finance and Accountancy and as a Past-President of the North West District Society.

On display at the Liverpool dinner was the Founding Societies Centenary Award (*The Accountant*, September 20th) in the form of an attractive silver representation of the central figure 'Economeia' and the rudder from the Institute's coat of arms. Liverpool, it will be remembered, is the senior of the four founding societies (1870), followed by London later in 1870, Manchester in 1871 and Sheffield in 1877.

Auditing the Public Sector

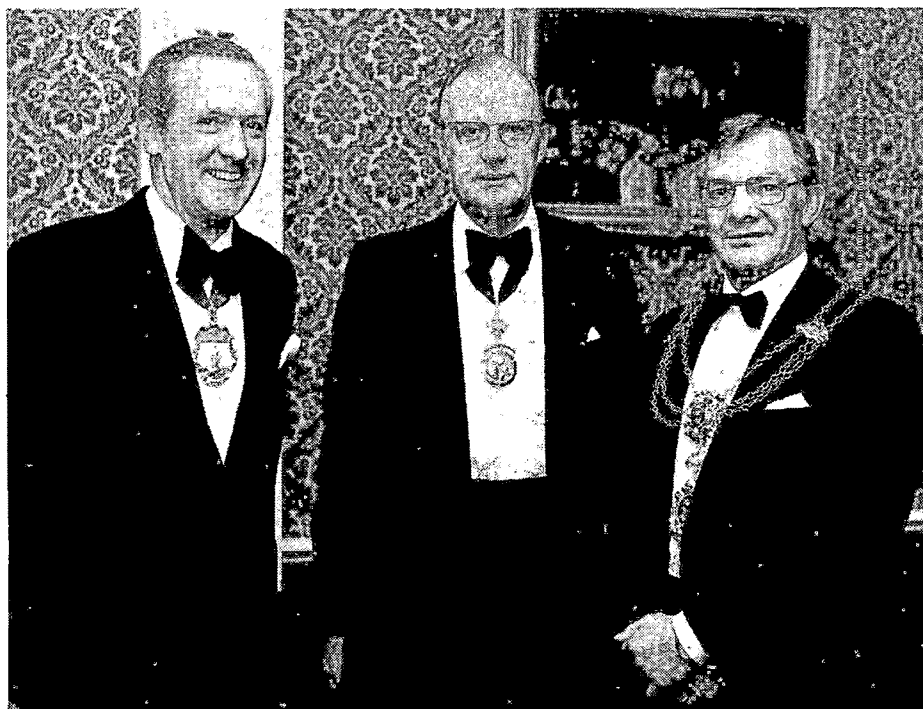
Dr Keith Hampson, MP, demanded in Hull recently that accountants in private practice should take over the monitoring

of local government. Local authorities, he said, account for over one-third of public spending: 'we must have value for money, and the growth of accounting in this field is important to cut out waste'.

In proposing the toast of the Institute at the Humberside District Society dinner, he claimed that the Government's economic policy was 'a new and positive change' and that it was 'worthwhile to try a new approach. We cannot have improved social welfare unless we increase the wealth to support it.'

Dr Hampson, PPS to the Minister for Local Government, went on to extol the virtues of apprenticeship and the importance of 'topping up' qualifications. The night school ethic, he thought, was a good one and the door should not be closed to that route.

Mr David Richards, President of the Institute, responded and gave assurances on both points. The private sector was prepared to take on the audit of local authorities who should invite in practising firms. Though graduate entrants now amounted to 70 per cent of the intake, the Institute had no intention of excluding the bright young 'A' level candidate.



The President of the Humberside District Society, Mr R. Gordon King, FCA, with his principal guests – ICAEW President Mr David Richards, FCA (left), and the Lord Mayor of Kingston upon Hull, Councillor M. Rawling.

Current Affairs

London Leads by Light-Years

'Let's go on working together' was the message left with the London Society of Chartered Accountants by Mr Nicholas Goodison, Chairman of the Stock Exchange, when he addressed the second of the Society's 1979-80 luncheon meetings at Chartered Accountants' Hall last week. It was appropriate, he thought, in the present climate of professional activity to remind members of the traditional Chinese curse: 'May you live in interesting times'!

The United Kingdom stock market occupied a position that he claimed was unique in at least four respects: its liquidity and flexibility, its sophisticated institutions, the extent of government participation in the market (the bulk of government borrowings in other countries is conducted through the banks) and its unrivalled position of trust.

Mr Goodison confessed that he was concerned to slim down the Stock Exchange's rule book, saying that 'Some of our rules go back to the beginning of the last century, and I am trying to get



Mr Nicholas Goodison

rid of those'. But the standards which the Exchange maintained over its members would stand comparison with any others in the world, and were 'light-years ahead' of those which prevailed in the capital markets of some other countries.

For He is an Englishman . . .

Mr John Wajnzer, a true Englishman, is resolutely fighting the good fight with all his might against the rapacious army of tax-gatherers known as VATmen. What sticks in his gullet is that they achieve their exactions without any work; he has to do the gathering for them, the supreme indignity and a kind of modern Morton's fork.

Twice this year the VATmen have struck in 'pursuit of claims for an increase in pay' while the real gatherers, the taxed themselves, are rewarded with nothing for their pains but further torture. Antique dealer Mr Wajnzer, forced to work for long periods in collecting the tax and preparing the necessary accounts – a job of work he found 'distressing and boring in the extreme' – is determined that if he can neither strike himself (apart from beating his breast) nor obtain a *quantum meruit*, he will strike a blow for freedom.

Members of the Manchester VAT Tribunal were not prepared to entertain his claim for £300 in consideration of his 'working' for Customs and Excise; they gave it their opinion that the Queen in Parliament had made no provision for the meeting of such a plea. Mr Wajnzer is not daunted – can he not find in Common Law the 'residual power to enforce the supreme and fundamental purpose of the law, to conserve not only the safety and order but also the moral welfare of the state'?

He is not going to scrape the barrel nor scratch the surface of the VAT. He is prepared to pursue his noble cause, if necessary, to the European Court and the Court of Human Rights. Hopefully he will not find satisfaction only at the Last Judgment.

Win One, Lose One

Six members of the Vestey family were not liable to tax on substantial sums received under the terms of a family trust set up in 1942, the House of Lords ruled last week.

Giving judgment, Lord Wilberforce said that the assessments in the present case had been made under section 412 of the Income Tax Act 1952, relating to the transfer of assets abroad. But no method of levying tax in such cases had been prescribed by Parliament and, said his lordship, 'this gap cannot be filled by administrative decision'.

The total distributions from the fund on which tax had been claimed were put at more than £2½ million. In reaching their decision, the House of Lords concluded that their own earlier 1948 decision in *Congreve v. Commissioners of Inland Revenue* (27 ATC 102) should not be allowed to stand. The consequences of this change of practice for other cases which were previously thought to be taxable have yet to be established.

As a partial compensation, the Inland Revenue simultaneously succeeded, in another court, in beating off a challenge from the National Federation of Self-employed and Small Businesses to the exercise of their discretionary powers in the case of the Fleet Street casual workers (*The Accountant*, March 29th). The Federation, according to the Lord Chief Justice, had not established a sufficient legal interest to enable it to bring proceedings in this case.

The background facts, he agreed, were 'interesting and unusual' and it was not surprising that those who had to pay 'every last penny' in tax resented what had happened. Nevertheless, the law appeared to give taxpayers in general no right to challenge the legality of such a decision. Mr Justice Griffiths, agreeing, said that if the same right of challenge were to be extended to all Britain's 25 million taxpayers, the Courts would be swamped with applications.

The Inland Revenue have consistently maintained that the decision not to reopen assessments prior to April 1977 – subject to certain well-defined conditions – was a reasoned commercial decision on the facts of the particular case, and fell within the department's established powers.

Current Affairs

Government Blacklist

The Government is considering the idea of a register of directors disqualified by the Courts. Under section 188 of the Companies Act 1948, a court can order that a director found guilty of offences may not be a board member of any company for up to five years. There is also a disqualification clause in the Insolvency Act 1977.

At present, it appears impossible to establish whether or not a particular individual is disqualified from participating in the management of a company without searching the records of every court exercising a winding-up jurisdiction in the United Kingdom. The case for a central register of such disqualifications was pressed by a correspondent in *The Accountant* of November 22nd, 1973, and provision for a central register of disqualifications was in fact made as clause 39 (4) of the abortive Companies Bill 1973.

Keeping It Flexible

A recent survey of office practices by the Institute of Administrative Management suggests that about 200,000 people experienced flexible hours for the first time in their lives during 1978, and that approaching one clerk in three works under a flexible hours scheme. Soon, it appears, flexible hours will be the rule rather than the exception.

Flexible Working Hours Explained, 'a humorously illustrated serious work' published recently by Automatic Revenue Controls of Watford, contains a practical explanation of just what flexible hours are – and gets rid of some misapprehensions in the process. It goes on to outline the benefits which both staff and management can enjoy if they go about it properly and gives details on how to go about planning a scheme, to the point of providing a sample set of rules to follow. Flexible hours, from all the evidence available, does not seem to be the tumultuous change everyone expects – more of a non-event, in fact.

The publishers, being manufacturers of flexible hours control equipment, obviously have a vested interest. However, that interest is declared in the

booklet and, apart from one small section at the very end, equipment or control methods are not mentioned at all. The booklet is genuinely informative and should at least start an accountant's accumulation of knowledge on the subject.

(*Flexible Working Hours Explained*: Automatic Revenue Controls Limited, Shakespeare Industrial Estate, Watford, free on request to readers mentioning *The Accountant*, other persons £1.50 per copy).

Service to Clients

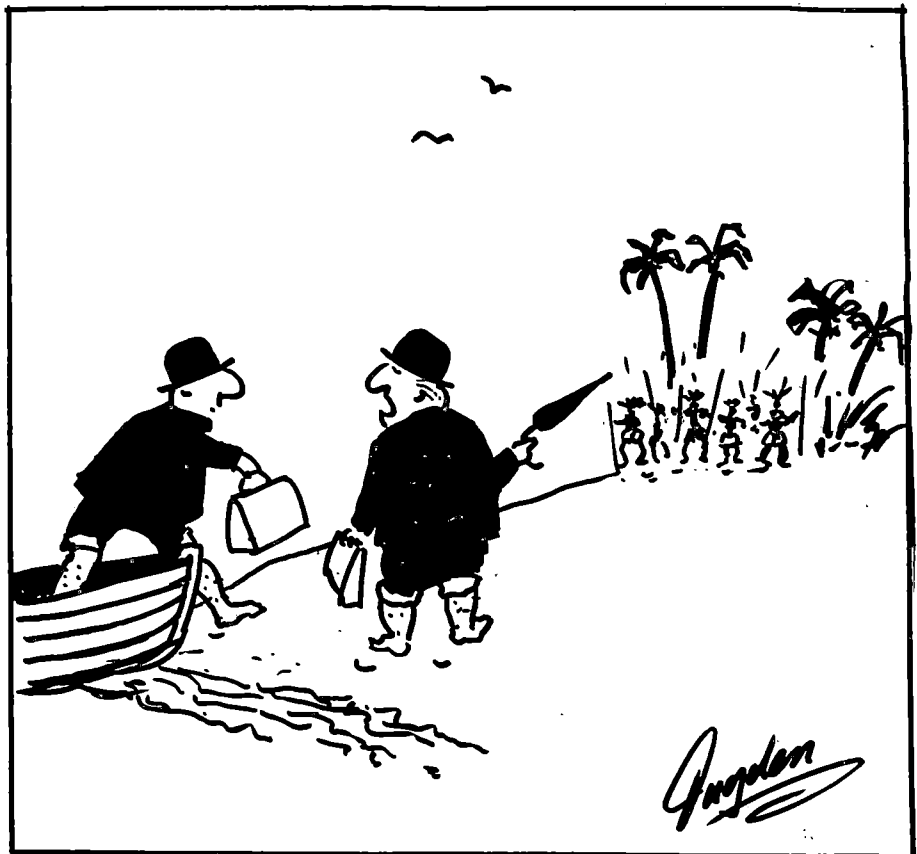
Most individuals need help in weighing up different proposals put before them. They need a guide and co-ordinator who knows their requirements and intentions. Many accountants already fill this role, but others in the profession have not fully recognised the opportunities available to them.

Guidance on how an accountant may develop a successful financial planning service to clients is provided in the third

edition of a booklet written originally by ICAEW Past-President Mr E. Kenneth Wright, MA, FCA, and now revised and updated by one of his former partners. In order that he may not only provide this service satisfactorily and remuneratively but also compete successfully with the numerous other organisations (who are freely able to advertise their wares), it is essential that the practising accountant plans his approach carefully and systematically.

'We may not be allowed to advertise, but we are in close touch with many individuals who come to us initially for tax advice', the author writes. 'It is perfectly proper for us to discuss their general financial affairs with them – they usually welcome it and are sometimes surprised to find that we can offer services which are of much more positive value than the rather negative chore of settling tax liabilities.'

'We ought to exploit this advantage – the giving of financial advice to individuals is a valuable and rewarding service, and there is a great and continuing need for it. The accountant should



'Do you really think they're going to be interested in a double taxation treaty?'

Hillier Parker's eye on the world - 2



Clever use of available resources resulted in this localised architectural style capable of speedy erection. Its apparent simplicity belies the use of advanced thermal technology which utilises body heat to create excellent environmental conditions. Additional warmth is generated by basic friction techniques such as rubbing noses and other parts. The design recognises the need for industrial safety and security in that the door prevents entry by polar bears. Although especially dust free, after a long winter the building and occupants tend to smell of fish. A little known feature is the skylight of especially cut water ice, flavour unspecified. Warm spring sunshine is something of a hazard.

The best modern space is well designed, air-conditioned and in just the right place. Hillier Parker's lists are comprehensive and their industrial teams know their way around. They rub noses – er, shoulders – with developers and industrialists every day.



Hillier Parker
May & Rowden

77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666
and City of London · Edinburgh · Paris · Amsterdam · Sydney · Melbourne · Brisbane

Current Affairs

not be afraid of taking the initiative.'

(*Financial Planning for Clients*, by E. Kenneth Wright; third edition by Andrew Tappin. Publications Department, Chartered Accountants' Hall, price £3.95.)

'Give Shareholders Option' on NEDs

Coincidentally with the Institute of Directors' paper on the role of non-executive directors, featured in *The Accountant* last week, Sir Brandon Rhys Williams, MP (Kensington, Con.) proposes to put forward an amendment at the Report stage of the Companies Bill.

This amendment – the latest move in

a campaign extending over the past ten years – would require major quoted companies to put a resolution, at each AGM, for the appointment of at least three non-executive directors. The Government, it has been suggested, may not oppose this move, although it was less sympathetic to Sir Brandon's earlier proposals for the compulsory appointment of such directors.

Quote of the Week

'If a piece of paper blows into a law-court, it takes a yoke of oxen to pull it out again'. – Apocryphal Chinese proverb, quoted by Mr Nicholas Goodison, Chairman of the Stock Exchange.



THIS IS MY LIFE

Public Spirited

by An Industrious Accountant

Our town is usually a law-abiding community, but last month there were no less than six robberies in the industrial area. Three were committed by unknown characters in balaclavas who escaped in fast cars, two comprised bricks into jewellers' windows and disappearances into back streets, and one was an old-fashioned mugging of Smith's two cashiers en route to the bank with the morning lodgement.

Our managing director ordained a meeting of senior staff to plan appropriate defensive strategy. Our insurers had been muttering about our last-century systems, the bank tellers shut their grilles nervously when our cashiers came through the door, and the bobby on the beat had relayed pointed criticisms from the powers that be. We must guard our funds with all our might, the MD said in clarion tones; and of course staff must be adequately protected, he added as an afterthought. Who could solve the problem?

The maintenance engineer said promptly that several small daily lodgements spaced up to bank closing hours



Stout sticks to bolster morale . . .

should minimise the potential loss. The financial accountant suggested five per cent discount to customers paying by cheques, which could be easily replaced if lost or stolen, and Costs recommended paying staff salaries by special dockets only to be accepted as coin of the realm by our cashiers in settlement of in-house purchases. Nervous customers could be allowed to join the scheme.

Scotty said we were talking nonsense; all we needed was a group of our strongest staff willing to accompany lodgements from our cashiers to bank counters. They could have stout walking-sticks issued to them to bolster morale and spearpoint their defence, and in case of severe injury and such-like their pensions would be improved, probably. The last piece of eloquence somehow silenced his listeners.

In fact, history was repeating itself. In 1868 a rumour ran rife about Fenian raids, and volunteers to protect life and limb were wanted. Aldermen Wilson and Cotton visited the Bank of England and recruited in one day 712 fearless patriots as special constables, equipped with cudgels and the right to use them as they saw fit. The list commenced with the chief accountant, his deputy and assistant, cost accountant, cashier and deputy, the secretary and the accountant responsible for printing cheques.

ACCOUNTANTS WANTED

Young expanding manufacturing Company, established four years ago, desperately requires an Accountancy Practice to provide them with essential services. At present we occasionally consult the Auditors who mainly audit and produce accounts 18 months after year-end

Our requirements are:

- * **DEBTOR CONTROL.** By way of analysed debtor statements produced within a couple of days of the end of the month.
- * **CREDITOR CONTROL.** Schedule of payments to optimise bank overdraft facilities.
- * **STOCK CONTROL.** To maintain minimum stock levels necessary for continuation of business and reduction of capital invested, and for easing cash flow problems.
- * **MONTHLY MANAGEMENT ACCOUNTS.** To report on the results of the varying aspects of our business.
- * **FORWARD FORECASTS.** For presentation to bankers to provide bank borrowing. The actuals need to be monthly compared with budget to keep a constant flow of funds from the bank.
- * **P.A.Y.E. RECORDING & CALCULATION.**

This is of course, a fictitious advertisement. However, Practitioners know that many clients require these services. If your practice cannot provide these services, or only with great difficulty (and unprofitably), then the advert could be from one of your clients!

These services, which are constantly required, have led us to create a Small Business Development section to assist Practitioners in the provision of the full spectrum of accounting services with the aid of the computer.

For further information please contact:

Lawrence Josephs,
CTS Group,
CTS House,
Masons Avenue,
Harrow,
Middx. HA3 5AH.
(Offices throughout the UK)
Telephone 01-863 0111.

Small Business Consultancy
Another development to aid Practitioners by:



"The Specialists in Practice Automation"

CTS for Accounts Preparation, Practice Administration, Tax & Statutory Administration, Accounts & Report Finalisation and Management Services via Computer and Computer Bureau.

... By Accountants for Accountants ...

Special Feature

Insurance for Business

p. 764 Intermediaries in Insurance
G. J. R. Hickmott, MBE, FCII, FCI Arb

p. 766 A Price On Their Heads
Insurance Correspondent

p. 775 Fire Insurance Developments
John Gaselee

p. 770 The Growing Cost of Negligence Claims
Peter Madge, LLB, ACII

p. 772 Business Interruption Insurance
John Haynes

Intermediaries in Insurance

by G. J. R. HICKMOTT, MBE, FCII, FCI Arb,
Insurance Consultant

Insurance covers such a wide field of activity that within its scope is included Marine, Aviation, Householders, Motor, Industrial Fire and Interruption Liability, Personal Accident, to name only the main classes.

For this article it is proposed to concentrate on those classes of business with which accountants may be required to give professional advice, namely: industrial, commercial and trade material damage insurances and, their counterpart interruption policies (ie consequential loss cover following damage). Much the same situation arises for the other classes of insurance but there are exceptions.

Types of intermediary

With such a broad spread of size of cases, there are many types of intermediary. The following summarises the main breakdown of these:

- (a) Brokers – Nowadays this term is strictly applicable only to those registered at the Insurance Brokers' Registration Council – a statutory body. Such brokers are usually members of the British Insurance Brokers Association (BIBA).
- (b) Others, often called consultants, allegedly offering similar services. This is too wide a summary but it is difficult to say more.

- (c) Consultants who act in a specialist character, ie limited class of business or offering a specialist service (for example risk control advice).
- (d) Full-time agents, usually employees of an assurance company who provide some service in the insurance field.
- (e) Other agents, varying from professional people who provide some services to their clients, using the technical assistance of insurers, to casual individuals, who find it a method of supplementing their income and whose expertise will vary considerably. Such intermediaries will rarely act in the larger cases and their technical service must

be viewed against what other assistance would be available to the client in practice and its worth. A recent growth in this field has been the formation of specialist insurance intermediary companies by the major banks. In general, they do not compete with established brokers, but they can provide a worthwhile professional service to the many smaller cases, most of whom have banking ties.

While much criticism is levelled at what hardly can be classed as the agency system, nevertheless it works and for many of the small cases the commission available is so small in amount, that professional firms are usually unwilling to act.

Service that is needed

Briefly, the intermediary can be involved in one or more of the following activities:

- (a) Introduction of business.
- (b) Handling renewals.
- (c) Acting as an intermediary regarding changes needed in cover.
- (d) Providing an advice service on a postal basis.
- (e) Providing a full service by visits and discussions with the client.
- (f) Providing a technical service regarding risk improvement and control independently of that of the insurers.
- (g) Assistance in respect of claims.

This can be general advice or more detailed assistance in motor and accident matters. These may be a separate function and given by Solicitors.

Position of an accountant

The role of the accountant is threefold:

- (a) His professional association with his client.
- (b) Professional additional advice where required on insurance matters for his client.
- (c) If accepted, acting as an intermediary, perhaps for those classes of business in which he has special knowledge and experience.

Need of the trading world

Whether larger or smaller, business is faced with potential liabilities from its trading and it is dependent on its assets and the cash flow therefrom to maintain its organisation.

Protection by insurance is the method of substituting unknown losses of amount or frequency by a known annual premium. It gives security to the organisation and will allow it to concentrate on its business affairs.

The function of an intermediary should be to give advice on:

- (a) What areas of risk exist.
- (b) How to eliminate or reduce them.
- (c) How to obtain protection against those exposures still borne (by insurance or by other means).
- (d) To negotiate covers at economic price and to ensure adequate terms and conditions under the policy contract.
- (e) To assist in explaining market terms and methods and in the event of a claim giving appropriate advice.

These functions include what is currently termed risk management and loss control, which must involve technical matters to be provided by the clients'

own expertise, possibly from outside experts as well as from the experience of the intermediary.

In a large organisation, the liaison needed with the various departments, may involve the setting up of an insurance department or a risk control unit. These can be small or staffed by 20 or more determined by the philosophy of the insured's administration and organisation systems — and more particularly whether they use this insurance department as a means to omit the intermediary and deal directly with insurers.

This brings to light, the special feature relative to Lloyds. Here groups of people who provide financial undertakings are called syndicates and employ specialists to underwrite such classes of insurance which they nominate. The placing of insurance has to be via a Lloyds broker. There are also associated organisations writing specialist cover only (ie motor or engineering).

The balance of the insurance market is comprised of the tariff offices (the major UK companies), the independent offices (the numerous other UK companies) and the others, varying from American and European, Australasian, South African and Japanese Companies for general or specialist insurances. Most, if not all of these will accept business from any acceptable intermediary, and except for certain independent offices, directly from the insured themselves.

Assistance from accountants

Many of the smaller brokers have limited technical knowledge in accountancy matters and may welcome assistance in areas such as interruption insurance, with its association with accountancy matters

and with valuation of assets, where a professional valuer may also need to be involved. Association with the accountancy methods may well assist in the correct annual production of the proper figures or with the method under which stock should be insured (without unnecessary overlap of cover with the interruption policy).

Choice of intermediary

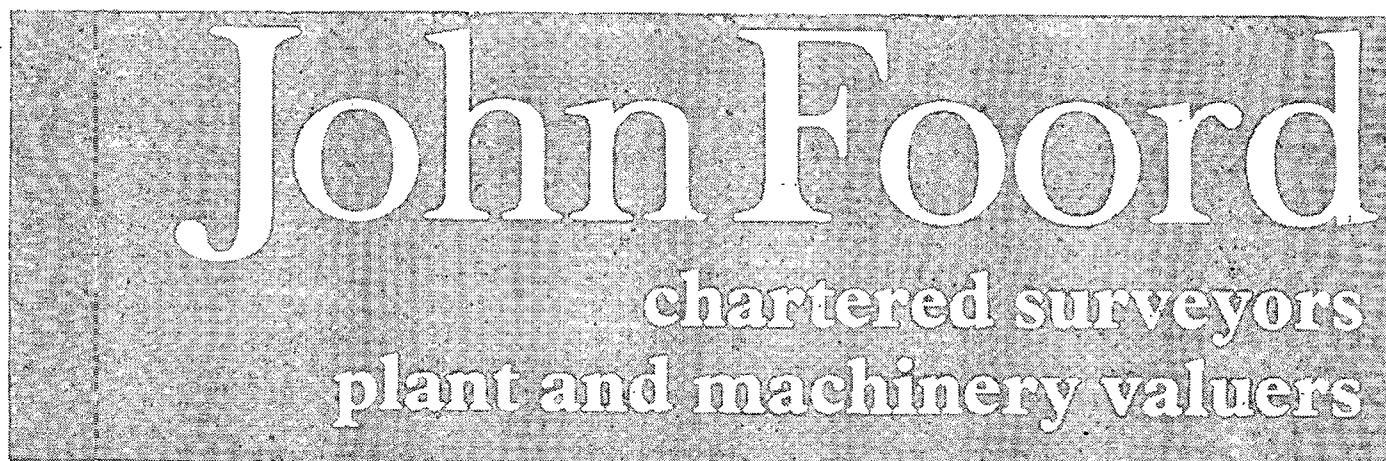
Naturally, this is a matter for each buyer of insurance who will know the degree of assistance he will need, the local availability of that help and the extent of specialist insurance cover involved.

For the larger organisations, the insurance function will often be centralised and thus the degree of autonomy in selection and placing of the insurance restricted to head office decisions.

International organisations

With international trading organisations, the question of decentralisation or otherwise will also involve the freedom from placing local covers or otherwise. In many overseas countries it is difficult to avoid the local placing of insurance and then the limitations of the local insurance market to meet the capacity and sophistication of such an organisation's insurance needs can create difficult problems. These are the reasons why such covers are often handled by international brokers who either operate in many countries or have special links with brokers in the major countries of the World.

The recent growth and size of the top UK insurance brokers mainly established in the City of London gives proof to the demand and level of activities in this international field.



A Price On Their Heads

by OUR INSURANCE CORRESPONDENT

How can one value the capital worth of a man (or woman) to his (or her) employer? For a long time, it has been held that the competitive position of a company in the market place may be adversely affected by the death of a director or senior employee, commonly referred to as a 'key man'. While it is often difficult to quantify the financial amount of the set-back which the company would incur, it is an established law that the possible death of such a 'key man' is sufficient to establish that the company has a valid insurable interest on the life of the individual.

As a result, a number of companies insure the lives of individual directors and employees for the benefit of the company, quite unrelated with any payment which may be made to a dependent in the event of the individual's death.

Revenue practice regarding relief of tax on the premium for such a policy is still founded on a statement made by the then Chancellor of the Exchequer, Sir John Anderson, to the House of Commons in 1944. He said, *inter alia*, 'the general practice in dealing with insurances by employers on the lives of employees is to treat the premiums as admissible deductions and any sums received under a policy as trading receipts: the sole relationship is that of employer and employee; the insurance is intended to meet loss of profits resulting from the loss of services of the employee; and it is a one-year or short-term insurance'.

A premium paid under a policy such as term assurance, which has no surrender value, falls within the scope of section 130 (a), Income and Corporation Taxes Act 1970, as the expenses are incurred wholly and exclusively for the purposes of trade – i.e. to protect against the possibility of loss of profits.

Normally, in the event of a claim, the policy moneys would be taxed as a trading receipt in the year in which they are received. It can be a good plan, therefore, to express the policy as being payable in instalments over a period of years, if it looks as though this would result in corporation tax being payable at the lower rate.

Where the shareholding in a family

company is concentrated in the hands of a proprietary director, premiums may not be allowable for tax – on the grounds that the main reason for the life assurance being arranged is not to protect the company's profits, but to protect the financial interests of the shareholders in a close company, most of whom are in the same family.

It is not correct to assume that, if relief on premiums paid for this type of term assurance against loss of profits is not sought, in the event of a claim the policy moneys will be exempt from tax. The test is whether, had it been sought, relief would have been given. If that should be so, the proceeds of the policy become taxable, despite the fact that relief might not have been claimed.

Although there may be arguments in favour of a company arranging 'key man' assurance where there is no concentration of shareholdings in the family, the policy to safeguard the financial interests at stake in the event of the death of a substantial shareholder is likely to be more tax-efficient if it is arranged by the director himself in trust for beneficiaries, or is assigned by him to the beneficiaries after it has been issued, so that they may maintain it themselves.

One reason is because, if the policy is term assurance, in the event of the director's death, a substantial sum will be payable which may well be taxable. The tax paid effectively means that the rate of premium has been virtually doubled.

If there is a close family shareholding, the premiums paid by the company may not be eligible for relief against corporation tax, and, even though the policy

proceeds may then be free from this tax, the proceeds of the policy will inflate the value of the company. In turn, this will produce a much higher valuation per share for capital transfer tax purposes on the death of a shareholder with a substantial shareholding.

Among an increasing number of employers it is becoming customary to provide life cover for employees – whether in the form of a lump sum payable on death and/or a widow's pension.

Often, this form of life assurance is written in conjunction with the company's pension scheme. Certainly, where a group life scheme is written in conjunction with a group insured pension scheme with the same insurance company, the administrative expense for the life office handling the scheme should be low. The details of each member will be available for the pension scheme, and the additional cost of processing and dealing with the group life benefit should be marginal. Furthermore, since some counterbalance may arise under any associated deferred annuity business from fluctuations in the mortality experience, it may be justifiable for the life office to retain only a modest margin for contingency and profit in the group life rates.

If a life office does not already have the details, given a scheme of reasonable size, an insurance company can work out a composite rate of premium which can be applied to the total benefits to be provided. Normally, for instance, an insurance company will need to know the numbers of employees, by sex, born in each year. This information can be used to calculate a composite rate of premium for a flat-rate level of benefit.

Composite rates

The cost of this type of cover depends on many factors, including the size of the group, the spread of ages, the number of men and women in each age group.

With a simplified form of rating along those lines, all employees are covered during the year, on whatever basis is determined at the outset; a recalculation of premium is made at renewal. Normally, the composite rate of premium will remain at the same level for five years or so, unless, in the meanwhile, there has been a substantial change in the risk insured, eg number of employees, more young staff, etc, or in the benefits provided.

A legacy means a lot to the limbless



18,000 limbless Ex-Service men depend on the British Limbless Ex-Service Men's Association.

BLESMA is not aided by the State. But we urgently need money to help these brave men conquer their handicap. And to equip and maintain homes in which they convalesce and are given care and comfort in their old age.

This is where you can help. A donation from you will give hope and encouragement to those who gave so much for their country. A legacy would mean a lot to them.

Donations and information:
Major the Earl of Ancaster, KCVO, TD
Midland Bank Limited,
60 West Smithfield, London EC1A 9DX

**BRITISH LIMBLESS
EX-SERVICE MEN'S ASSOCIATION**

PROFESSIONAL INDEMNITY INSURANCE

LIFE, PENSIONS AND ALL
COMMERCIAL INSURANCES



CONTACT CYRIL DREWRY

BARKWORTH INSURANCE SERVICES LIMITED

62/63 FENCHURCH STREET
LONDON EC3M 4AQ

TELEPHONE 01-480 5026

There's much much more to General Accident than motor insurance

Progressive in outlook General Accident is indeed a giant.
As one of Britain's largest composite insurance companies it sets
the highest standards of service. General Accident covers
the whole field of insurance, providing complete security. Protecting
people, their lives and their possessions at home, at work, at play.

**General
Accident**

GENERAL ACCIDENT FIRE & LIFE ASSURANCE CORPORATION LIMITED

Branch and local offices throughout the United Kingdom.

For a small scheme, the life office will probably want to be notified as and when changes in the staff occur. For a larger scheme, the administration may be simplified, and the life office may only need to be told of the total salaries paid during a year to the staff covered, and the number of staff at renewal dates.

For large schemes, often profit-sharing arrangements can be agreed. The rebate may be arrived at by applying a formula to the premiums less claims. Another approach, which is used quite extensively in the US, is to assess a premium with somewhat larger margins than those normally found, and to allow profit-sharing by deducting specified expense and risk and profit charges due to the insurer. The practical effect is that a higher level of premium is charged, but the whole of the profit, after pre-agreed retentions by the insurance company, is returned.

Personal accident and health

Many employers, either in addition to a life assurance scheme or as an alternative, provide personal accident insurance for employees – throughout the year. This form of protection may have started with employers arranging personal accident cover for employees while working. Sometimes, however, it is difficult to draw the line between work and an employee's own time – particularly in the case of an employee who manages, to some extent, to combine business with pleasure, or who has to carry out a certain amount of work in the evenings and at week-ends. To avoid any problem, it was considered better that the cover should be continuously in force.

Apart from that, many employers provide personal accident cover for those travelling overseas. It is difficult to see why there should be such insurance in force for, say, a business flight to the Continent or Middle East, but not if an employee is driving (on business) down the M1.

All too often it appears as though benefits have been added piecemeal, and, while employers might prefer to rationalise such benefits, there is a natural reluctance to withdraw a benefit which, in the past, has been available.

Permanent health insurance is growing in popularity with employers. While an employer may be quite happy to pay the salary or wages (or at least a high proportion) of an employee who is disabled, for a limited period, there is an

obvious reluctance to continue such payments for a long period, in view of the continuing liability. Permanent health insurance offers the opportunity to pay a fixed premium each year for an employer to be relieved of long-term liabilities. In this way cover can be provided for employees during periods of disablement – if necessary until normal retirement date. Furthermore, an employer can arrange for cover to include pension contributions – so that these can continue to be made, and the employee will receive a reasonable pension at normal retirement date (when the permanent health insurance benefits cease to be payable).

The tax position with such benefits is that when received by the employer they are treated as a trading expense, but are tax-deductible when paid to the employee or to the pension scheme. From an employee's point of view, the benefits paid by an employer are treated in the same way as wages or salary.

While it may be somewhat illogical to arrange personal accident insurance for employees travelling abroad, there is much in favour of arranging medical expenses insurance. If a company feels that it does not want to bother about claiming for relatively modest amounts, a policy can be arranged with a worthwhile excess – so as to take care of 'catastrophe' situations.

Often, rather more than meeting medical expenses incurred overseas may be necessary. In some parts of the world medical care is not as high as we have come to expect. Apart from that, it can be demoralising for an employee to spend a long time in an overseas hospital, far removed from friends and relations, particularly if he has only limited knowledge of the language.

Repatriation

There is therefore growing interest in repatriating employees to a UK hospital (whether NHS or private) where a patient's health can stand the move. Sometimes, a specially equipped air ambulance may be used, with doctor and nurse, together with appropriate medical equipment, on board. For long distance repatriation, the seats may be removed from an aircraft on a scheduled service, so that a separate section can be provided for the patient and medical team.

While various forms of repatriation insurance are available, one problem is that, in many cases, it is the insurers

who decide whether repatriation is justified, and thus whether a claim should be paid.

Some large companies prefer to take such decisions themselves, and are prepared to meet the cost. They, however, lack the expertise to secure and co-ordinate all the necessary facilities.

Europe Assistance, in which Eagle Star has an interest, has made a name for itself in repatriating business travellers and holiday-makers from the Continent. It now operates a service whereby, for a monthly retainer, in the event of an emergency, it will make all necessary arrangements for repatriation, charging only the cost to itself for the major part of the service provided.

Finally, despite the lower tax rates applicable in the UK, there has been demand from those overseas for a period to be able to insure any UK income tax liability which may be incurred as the result of a sudden and unexpected return to the UK.

Insurance for return

Lloyd's brokers Chandler Hargreaves, Whittall & Co Ltd have arranged insurance whereby up to 85 per cent of the UK income tax payable can be covered in the event of return to the UK due to the accident or sickness of the person overseas or a member of his immediate family. The insurance also covers expulsion from the overseas country or return due to being declared *persona non grata* by the recognised government in question. Also covered is return to the UK if the British Embassy or Foreign Office representative in the overseas country recommends that British nationals should return following 'inter alia, an epidemic of disease, or political unrest, riots, civil commotion, terrorism, or guerilla activity'.

It appears as though, in some cases, employers are paying the cost of this insurance for employees working overseas.

Finally, while a company may be able to put a price on an employee's head from its own point of view, kidnap by terrorists could result in a much higher ransom being demanded. Here again, insurance can be provided – to repay a ransom. No company with this insurance in force is allowed to admit to its existence, since that might encourage kidnappings. In the event of a kidnap, insurers will provide specialist consultants, if required, to give practical help in the negotiations, at no extra cost.

Should you base the rest of his life on the past seven years?

The only people the self-employed can rely on to provide for their future are themselves.

That's why they're very careful when it comes to choosing pension plans.

So they look to you for the facts.

Well, here are some facts. For the past seven years, *Planned Savings*, an independent and authoritative financial magazine has surveyed the performance of self-employed pensions and has placed National Provident Institution's Self-Employed Retirement Plan in the top four for performance, every year.

That not only shows ability. It shows consistency, something every self-employed person knows he must look for in a retirement plan.

NPI's SERP can provide a high annual income taxed only as earned income plus a large tax-free cash sum on retirement.

And it can cut your clients' personal tax bill quite considerably. Because the premiums they pay can earn full tax relief.

So when they come to you, think of us.

National Provident Institution,
48 Gracechurch Street, London EC3V 0BB.



The Growing Cost of Negligence Claims

by PETER MADGE, LLB, ACII
Director, Willis Faber & Dumas

Mention professional negligence to most professions and you touch a sore point. Either they have recently been sued, are about to be sued or are complaining about the costs of negligence insurance premiums.

Negligence claims against professional firms are increasing at an alarming rate. Accountants are feeling the impact of society's changing attitude to its professional advisers as claims increase in number and cost.

As potential defendants to negligence claims professional firms are relatively late on the scene. Not many years ago — in a different social and moral climate — clients did not sue professional advisers for negligence. Consequently many were not insured. There was no need. But times have changed.

Recently the courts found a doctor negligent when he failed to consider the possibility that his patient — an Englishman returning home from abroad — could be suffering from a tropical disease. The doctor diagnosed influenza. The patient died from malaria.

An insurance broker was found negligent in failing to arrange his client's motor insurance correctly so that when a claim arose the motorist was without passenger insurance cover. In a case involving the design of a warehouse, which was intended to withstand heavy vibrations, a firm of consulting engineers fared no better, the court holding them liable for the consequences of a faulty design. In a claim involving solicitors the judge held that solicitors, who did not obtain a deposit from the prospective purchaser, before exchanging contracts for the sale of a flat, and who did not specifically warn their clients of the dangers of exchanging contracts before obtaining an effective contract were liable in negligence.

These cases are typical of those that come before the courts every day and represent but the tip of the iceberg. Most are compromised before they reach court.

The reasons for the change in attitude are many. An increase in negligence

claims of all types particularly motor and work accidents has fostered the idea in many peoples' minds that for injury or loss somebody else must pay. Compulsory insurance has added to the illusion. These days it is common practice to see newspaper reports of heavy damages awarded to injured persons in motor or work accidents. Claims have increased and the cost of settlement has become more expensive every year. Increasingly we live in a claims conscious community which is consumer orientated. Claims are no longer a rarity. Moreover there is an abundance of advice available to the would be plaintiff, often free, from Trade Unions, Citizens Advice Bureaux, advice columns in the national press, legal advice centres and other organisations. Courts tend to sympathise with the plaintiff and try to find in his favour — particularly if a judge knows the defendant is insured and it will be the insurers who foot the bill. Thus in *Nettleship v. Weston* (1971), where a learner driver was involved in an accident, the court said: 'thus we are moving away from the concept of no liability without fault. We are beginning to apply the test on whom should the risk fall.'

Two years later in *Morris v. Ford Motor Co Ltd* a dispute arose as to who was responsible for an accident. Was it the employer or the employee? The court said "the employer must pay". He is insured. The courts would not find liability so readily and award sums of money in such increasing magnitude as damages except on the footing that it was insurers who paid.' Recently in

Firman v. Ellis and Others (1978) the court put it even more bluntly. 'It was the motor insurers who should pay. They had received the premium to cover the risk.'

Moreover we live in an age of consumer protection. Nowhere is this more apparent than in the proposals to change product liability law in this country and Europe. Negligence — it is said — is an outdated concept and should be replaced with strict liability, ie liability without fault.

Professional life each year becomes more difficult as practitioners have to work harder to keep themselves up to date. Masses of new legislation is passed every year, often imprecise and difficult to understand. Top advisers at partner, director and senior executive level are overworked with little time to supervise the activities of their assistants. Yet the average member of the public still considers his professional adviser an expert on any particular topic in which he cares to consult him. How far from the truth this is. As life has become more complex so more and more specialisation has become necessary. Never was it more important for the client to find the right professional firm with the appropriate expertise before appointing him.

Many people regard their accountants, for example, as being an expert in all matters. Few wish to claim this privilege but will naturally be reluctant to turn any client away no matter what his problem. The point can always be looked up somewhere. A recent study of delays in the law stated that there was a need for the public to have more information on the experience and specialised fields of solicitors and for a system of control to prevent solicitors from dealing with matters in which they had little experience. The same could be said of other professions. And representing the times in which we live the report went on to say that a list of solicitors with skill and experience in suing other solicitors for professional negligence should be compiled and made available for the public on demand.

Infalibility

Professional men are not expected to be infallible or to know the answers to all problems. That would be putting their duty too high. But the law does expect them to observe certain standards. In carrying out their professional work they are expected to exercise a fair, reasonable and competent degree of skill. Whether

or not in any particular case that standard has been reached is a question of fact. The standard against which the professional man is measured is the degree of skill and competence to be expected of any other competent practitioner in the same field.

Increased liability

The legal duty to exercise care is owed to the client. He is the person who pays the fee and is thus entitled to the expertise. On this principle the defendant accountants in *Candler v. Crane Christmas & Co* escaped liability for mistakes in accounts they had drawn up and shown to the plaintiff, who was considering investing in a company for whom the accountants acted. The company went into liquidation and the plaintiff lost his money. But since there was no contractual relationship with the accountants they had no liability to him. But following a House of Lords decision in 1963 – *Hedley Byrne & Co Ltd v. Heller and Partners Ltd* – the professional man's duty has been widened. He may now have a liability to a person who is not his client and who may not even have paid a penny for the advice he receives. This added liability – liability in tort and not in contract – is often referred to as Hedley Byrne liability. Under it a person who gives advice or information, knowing that another person is likely to act upon it, owes a duty to exercise care in giving the information and advice. Failure to do so may make him liable to pay compensation. It was this reasoning which removed some of the barristers immunity from negligence claims.

This change has resulted in many additional claims. Shortly after 1963 an accountant who produced draft reports to a bank to enable it to consider making a loan to a company, for whom the accountant acted, found himself sued under this principle when the company went into liquidation and the bank could not recover its loan. The draft accounts were inaccurate and did not represent the true position.

Once the principle of tort liability was established it was used to attack in other areas. Why should the accountant's liability to his client be only contractual. Why not tortious and contractual? Negligence is negligence no matter how it arises. It is not an academic point, but a serious one, for it has a bearing on the limitation period for barring claims. Six years from the breach of the contract is

the usual rule in contract but six years from the date the plaintiff sustained his loss is the rule in tort. So another defence was weakened.

Faced with such enormous liabilities most firms insure. It would be unwise not to. But the choice of insurers is limited since many insurers are not prepared to underwrite this type of risk because of its loss making potential. Several have withdrawn from the market.

A typical policy agrees to indemnify the insured against any claim or claims which may be made against him during the period of insurance by reason of breach of professional duty as accountants due to any negligent act, error or omission whenever or wherever committed or alleged to have been committed by the insured or his employees.

The policy is a 'claims made' policy. In other words provided the claim is made during the period of insurance it does not matter when the negligence giving rise to the claim took place. The test of policy cover is to see whether, at the time the claim is made, the policy is in force.

There is a limit of indemnity up to which insurers will pay claims but not beyond. One of the difficulties facing accountants today is fixing an adequate limit of indemnity. There is no easy solution to the problem and often these matters are decided at the end of the day on premium cost. But since the difficult and more complex claims often take many years to settle it is wise to think in terms of settlement figures several years hence, when inflation will have taken its toll, rather than limits arrived at by present day standards.

Facilities exist to extend the policy to cover other areas of risk such as libel and slander, breach of warranty of authority and loss of documents owned by the insured or entrusted to him.

Indemnify partners

These days there is a great deal of movement between accounting firms and facilities exist to extend the policy to indemnify partners for liability they may have for work performed in their previous business. In the case of sole practitioners retiring from business, or retiring partners, facilities exist to protect that person against claims which may be made against him for negligence committed before the date of retirement.

One of the very real problems associated with professional negligence

is that of disclosure of material facts. Policies are issued on the principle of good faith. The insured has a duty to disclose to the underwriter any fact which has a bearing on the underwriter's assessment or acceptance of the risk. Because the policy is issued on a 'claims made' basis and covers claims during the currency of the policy, regardless of when the negligence giving rise to that claim may have been committed, there is a clear duty on the insured to disclose to the underwriter any fact which may result in a claim in the future. Unfortunately it is a fact of life that many such matters fail to be disclosed. The result is that the insurer does have the right – which he often takes – to avoid the policy. It cannot be stressed too much that those accountants who are responsible for answering proposal forms and renewal declaration forms should consult carefully with their colleagues before answering the form. Failure to do so may result in inadvertent disclosure.

Dishonesty of employees

One extension to the policy which is generally misunderstood is that relating to employee dishonesty. The employer is normally liable for the conduct of his employees when that conduct arises in the course of employment. Thus the employer may incur a legal liability to third parties arising out of employee dishonesty. In *Lloyd v. Grace Smith & Co*, a solicitor's managing clerk was authorised by the solicitor to receive deeds and carry through sales and conveyances on the solicitor's behalf. While acting as the representative of this solicitor's firm he persuaded a client to sign documents, the contents of which she was unaware, transferring to him a mortgage and conveying to him freehold property which she owned. He called in the mortgage, sold the freehold property and appropriated the proceeds. Throughout the solicitor was innocent and unaware of the clerk's activities yet the House of Lords held him responsible saying the fraud was committed in the course of the clerk's employment.

Employee dishonesty can take another form. The employee may steal money belonging to his employer. This sort of loss is normally covered by a fidelity guarantee policy. Such a policy protects the insured against loss of his own money and is not a policy protecting against legal liability to third parties. It is important to realise the distinction between the two.

Business Interruption Insurance

by JOHN HAYNES, Consequential Loss Manager
General Accident Fire & Life Assurance

Financial directors, company secretaries and accountants carry the responsibility for maximising the beneficial deployment of their company's financial resources and safeguarding the interest of shareholders.

They are often called upon to advise on the arrangement of insurance covers including building and contents amounts but, more particularly, the cover which relates to the earnings of the business.

An earnings policy may be designated in one of a number of ways. 'Loss of profits', 'consequential loss', and more recently, 'business interruption' are all expressions used to describe it.

It is unfortunate that for many years there were numerous companies, varying in size, which suffered interruption of business following destruction or damage to the premises without the necessary insurance protection of earnings. At best they took years to recover. Some businesses failed altogether. Happily, this is unlikely today because the majority of businesses are protected by a business interruption insurance, the premiums for which are allowed tax relief under current legislation. More companies are in public ownership with the directors dutifully protecting the interest of shareholders. Furthermore, with takeovers and mergers, together with technical developments and much greater competition from within the UK and overseas, it would be even more difficult today for the majority of businesses to withstand a serious interruption following a fire (or other insurable peril) without the necessary insurance protection. I fear that all too many would fail.

Sum insured; subject of cover

The arrangement of the cover need not be complicated but it must be remembered that policies are subject to average, requiring the insured to contribute to the loss in the event of underinsurance by amount. In these days

with the possibility of rapid expansion together with inflation, businesses are still being caught with inadequate cover in the event of loss. This need not and should not be so if the accountant's advice is sought and acted upon.

Meaning of 'gross profit'

There can also be shortage by description of the subject-matter, eg gross profit. It is, perhaps, unfortunate that the expression gross profit is commonly used in insurance policies because it has a different meaning from 'gross profit' as understood for accountancy purposes. Nevertheless whether the term gross profit or any other definition of the subject matter is used in a policy it is always clearly and concisely defined therein. We still run the risk of a proposer or his adviser jumping to the conclusion that the insurance is based on the amount of the gross profit which may be the balance brought down into the profit and loss account. Cover arranged on that basis would leave the insured with a totally inadequate insurance.

There are still some policies in existence in which gross profit is defined as net profit plus standing charges (the latter being detailed on a schedule attached to the policy). These are likely to be covers which have been in force for a long time.

It would probably be advisable to re-examine them in the light of current requirements with a view to updating or rewriting on a modern wording. This is called the 'difference basis'.

When arranging cover under the 'difference basis', gross profit is arrived at by extracting the following items from the accounts:

Income from sales and services, net of discounts allowed	£
(NB: this item is designated 'turnover' for insurance purposes.)	
Closing stock valuation at the end of the financial year	£
	£
<i>Less</i>	
Opening stock valuation at the beginning of the same financial year	£
Outgoings on purchases (net of discounts received)	£
	£
Gross Profit	£

For some businesses it may be necessary to consider the exclusion of other items of expense. If a charge on the business will *always* reduce in *direct* proportion to reduction in income from sales then it should be excluded from the insurance thereby avoiding the payment of unnecessary premium. Such a charge on the business is known as a 'true variable charge'. However, there are really very few true variable charges. Carriage outwards paid to a common carrier on a 'per item' basis is one expense which is often excluded by the description 'carriage outwards (excluding own vehicles)'. This item would be listed under 'outgoings on purchases' in the above example and the amount included in the sum to be deducted to arrive at the gross profit.

Maintenance and carriage

An expense which might come into the accounts as own vehicle maintenance and carriage would not rank as a true variable charge. In the event of a 50 per cent reduction in output the vehicles will have to be maintained and are likely to be used uneconomically to retain the goodwill of the maximum number of the insured's customers. Hence the words in brackets against 'carriage outwards' mentioned above. Similarly, many other outgoings including perhaps, rent, rates, lighting and heating are likely to be saved in the event of a total stoppage of activities. A prolonged total stoppage is rare and is certainly unlikely where there is an adequate insurance cover. The items mentioned could not be reduced proportionately in the normal way following a partial loss and should not therefore be excluded from the cover.

Finally, we must ensure that indemnity is available for a sufficiently long period

Professional Indemnity Insurance

A FEW COST-CONSCIOUS WORDS FROM MINET:

MEMO

Minet

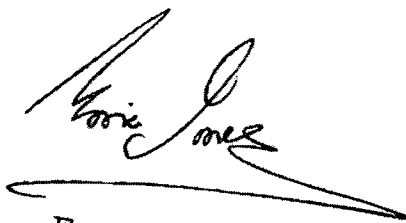
Following recent substantial premium increases, many firms are finding that professional indemnity cover is now a major overhead.

Even further rises are threatened.

Minets would be happy to carry out a survey of your current arrangements to determine whether a more cost-effective alternative exists.

We have 50 years' experience of handling professional indemnity insurance for accountants world-wide.

Why not get in touch?



Eric Jones, Director
Professional Indemnity Division.

J. H. Minet & Co. Ltd., Minet House, 100 Leman Street, London E1 8HG. 01-481 0707



**The name internationally
recognised for insurance.**



to secure not only the full reinstatement of the building and contents but also to bring the earnings up to the level of income which would have been achieved at that time had no interruption occurred.

The period selected is known as the 'maximum indemnity period'. Allowance must be made for possible delay in planning permission, demolition and reconstruction, plus delay in replacement of plant and machinery and raw materials together with the time to recover loss of custom. The period selected is likely to be at least twelve months and many policies currently have a maximum indemnity period of 24 months or even longer.

Arrangement of cover

We now have three main features:

1. An adequate sum insured.
2. A full description of the subject matter (gross profit suitably defined).
3. A sufficiently long maximum indemnity period.

With these three essentials satisfied, an insured can expect full indemnity in the event of loss.

In arriving at the sum insured the amount must be based on annual figures for any maximum indemnity period up to twelve months and proportionately increased for longer periods. Another factor is that the sum insured must be adequate to cover the gross profit (as defined) which would have been earned during the maximum indemnity period. This could commence on the last day of the period of insurance and last twelve months (longer for longer indemnity periods). When one considers that the figures being used at the time covers are arranged, or renewed, are probably extracted from accounts relative to a financial period which ended prior to the first day of the period of insurance, it will be realised that upwards of two years forward projection is necessary.

It is for this reason that policies are normally subject to an annual adjustment which usually allows a return of premium up to 50 per cent of the premium paid on any period of insurance. The adjustment is made on receipt of an accountant's declaration of the amount actually earned in that year. If an insured takes full advantage of these facilities it is extremely unlikely that he will be penalised by under insurance in the event of loss. Furthermore, the 50 per cent return of premium facility (allowing 100 per cent over

insurance) should be sufficiently generous to permit a full return of premium on any over insurance. Such return can then be used towards the payment of the renewal premium the following year.

How is indemnity achieved?

By the payment of the gross profit which, but for the interruption, would have been earned from the income lost and by reimbursement of additional expenses incurred to avoid a greater reduction in income.

Although copies of the standard policy and recommended specification (difference basis) can be secured on request, it is unnecessary to cloud the issue by going into wordings in too great a detail. Sufficient to say that they have stood the test for many years and provided that the three essential features (as detailed above) have been attended to they have always provided full indemnity in the event of loss.

Since gross profit (as defined) is a component of income from sales and services (turnover) there is a direct relationship between turnover and gross profit. This ratio of profit to turnover is expressed as a percentage and becomes the rate of gross profit.

To determine the reduction in turnover following a loss we use previous year's figures adjusted for trend and inflation in order to arrive at the amount of turnover which would have been earned had no interruption occurred. The rate of gross profit to turnover during the previous financial year (adjusted for variations as necessary) is then applied to the difference between the turnover which would have been achieved and the actual turnover earned during the indemnity period. This gives us the loss of gross profit.

Increase in cost of working

Additional expenditure incurred to avoid a reduction in turnover is payable in full under the policy up to the amount of gross profit relative to the turnover achieved by such additional expenditure.

For example, additional expenditure £50,000 incurred to earn a turnover of £150,000. The rate of gross profit has been established at, say 40 per cent and as the profit on the earned turnover is therefore £60,000 the additional expenditure of £50,000 is payable in full. Had the turnover earned been restricted to say £120,000 the payment as increase in cost of working would have been

restricted to £48,000 (40 per cent of £120,000). In practice additional expenditure is rarely found to be uneconomic.

This increase in cost of working facility is a very important feature of the cover from which both insured and insurer are likely to benefit. It is an integral part of the policy at no extra cost.

Having arrived at the sum of the loss of gross profit and the increase in cost of working during the indemnity period we then look at the expenses of the business which are payable out of gross profit. If the insured has achieved any savings in such expenses solely due to the interruption the amount is deducted from the amount otherwise payable under the policy. The amount remaining provides true indemnity and will be payable in full thereby fully restoring the financial position, always providing that the amount payable is not further reduced by the application of average.

Remuneration to employees

In the foregoing example, and in practice in the majority of covers being arranged these days, gross profit includes remuneration to all employees. Employers are no longer free to dispense with the services of employees without compensation. In any event, regardless of legislative obligations, there are many businesses for which the retention of the services of all employees would be considered essential following a partial loss in order to minimise the interruption. The decision to cover remuneration in full is also influenced by the fact that insurers are now willing to grant terms for full cover in many of the larger cases.

However, if a partial cover in respect of remuneration to employees is still required it is now quite easy to arrange as follows:

1. The total amount of annual remuneration is excluded from the gross profits cover and the sum insured reduced appropriately.
2. The total remuneration figure, appropriately increased for trend and inflation becomes the sum insured under a separate item. Where the maximum indemnity period under the policy exceeds twelve months the figure must be proportionately increased in the same way as is the sum insured for the gross profit item.
3. The period during which full 100 per cent cover is required following interruption must be selected.

4. Finally, the percentage to be covered for the remainder of the maximum indemnity period must be decided upon.

Example: Sum insured £100,000. Maximum indemnity period twelve months 100 per cent for thirteen weeks, 25 per cent for the remainder of the indemnity period.

The foregoing is called the dual basis method and is far superior to any other partial payroll cover available at the present time. An added merit is the simplicity with which it can be arranged.

It is no longer necessary to effect a separate item on Auditors' or Professional Accountants' charges incurred in preparation of a claim. These are normally taken care of within the cover period under the policy.

Policies can be extended to include the premises of suppliers, customers, and subcontractors or other situations not in the insured's occupation. Such extensions were regarded as somewhat of a luxury in earlier years but with increasing interdependency of businesses, not only with the European Community but also world wide, this is no longer so.

Continuance of supplies of raw materials or component parts can be vital to production. Similarly, the failure by an important customer to take a substantial share of the insured's output as a result of that customer suffering interruption by fire could be equally serious for our insured.

In this article I have dealt with gross profit covers. There are variations available to meet specific needs such as gross fees, revenue, net revenue, net income and so on but the basic principles governing the arrangements of such insurances are the same.

Fire Insurance Developments

by JOHN GASELEE

An increasing number of fire insurers are becoming worried about their UK fire accounts. They feel that they are moving rapidly into an unprofitable position, as, for so many classes of business, premium rates continue to be cut, and terms are improved.

This state of affairs has been brought about by the keen competition for business, due to newcomers entering the market, and the fact that, with no great expansion of production, there has been little natural growth in business.

The reinsurance market has been particularly 'soft', allowing some direct writing offices to quote low rates of premium and reinsure a substantial amount. Coupled with that, there has been the entry of overseas companies (sometimes through UK subsidiaries). A few years ago, some US insurers stepped up their activities in the UK. More recently, some Continental insurers have been trying to buy their way into the UK market.

All in all, this has resulted in it being a buyer's market, and, at the moment, there is little sign of insurers succeeding in strengthening the market from their point of view. Some old-established offices are worried about the future, feeling that some of the newcomers are prepared to make losses for a few years so as to establish themselves.

One of the developments in the market for certain types of larger risk has been

'layering'. Traditionally, large liability insurances have been placed in layers, and, recently, the idea has been applied to fire insurances where there is a reasonable spread of risk. Effectively, this means that, instead of every insurer subscribing to a fire policy bearing a set proportion of each and every loss, insurers can choose which layer they wish to write.

Clearly, for a given exposure, a primary layer provides a higher premium, and higher claims settlements, than where insurers write a proportion of the total risk. The top layers, on the other hand, attract comparatively little premium, and the risk of a claim is relatively slight.

Two advantages are claimed for the system of layering. In the first place, the overall premium may be lower than if the insurance were to be placed in the traditional way. Secondly, it is argued that insurers can select the layer which they wish to write and so, for a given risk, fewer insurers may be needed if 'layering' is used, than if the risk was to be placed in the traditional way.

With 'layering', some insurers con-

centrate on the lower layers, while others are attracted by the higher layers. Certainly, the higher layers have particular appeal to insurers which write a reasonable amount of reinsurance business. After all, the risk is comparable to certain types of reinsurance. Brokers have found that the information which has to be provided for insurers is comparable with the information required when reinsurance of a captive insurance company is being negotiated.

For 'layering' to be successful, there needs to be a spread of risk and, probably, £20,000 per annum is the minimum premium for which this method should be considered.

In theory, an ideal risk is where the insured premises are well spread (with, say, a minimum of six or seven units), and premiums total £100,000, or more, per annum. It appears as though this type of placing is most suitable for the better fire risks, and the conventional method of placing probably is most appropriate for heavy risks of any kind.

Fierce competition

Certainly, US offices have been at the forefront with 'layering', and it has been quite clear from their approach that it is the better UK risks which they wish to acquire. It is in this area that they are prepared to compete fiercely with the old-established market, by cutting premiums quite sharply and by accepting business on unusual terms and conditions. There is no set approach to 'layering', with much depending on individual circumstances. As an example of one risk placed in this way, the primary layer represented 47 per cent of total insured exposure, for which insurers received 63

per cent of the premium. The next layer represented 28 per cent of exposure, for which 20 per cent of the total premium was paid. After that, 13 per cent of the exposure attracted 11 per cent of the premium, and the top layer (which was in excess of £1½ million) represented 12 per cent of the exposure, for which insurers received 6 per cent of the premium. Had the insurance been arranged on this basis over the preceding ten years, the top layer would not have suffered any losses at all.

Those who advocate 'layering' point out that there is scope for flexibility. For instance, an insured company can arrange this insurance on a first loss basis. In this event, effectively, what would have been the top layer simply will not be placed. Nevertheless, bearing in mind the comparatively modest saving in premium which will be achieved by taking this course, any company needs to be really confident that no loss will exceed the sum insured on the first loss basis.

Discounts

In practice, it may be better to accept the risk at the other end of the scale, by incorporating a large deductible. The actual discount which can be earned in this way can be appreciable, dependent on individual circumstances. In one case, for instance, the primary premium was cut by one-third, due to the introduction of a large deductible. Naturally, when one takes into account the higher layers (which, of course, are not affected), the overall saving becomes diluted, and, in that case, amounted to 20 per cent of the total premium.

Some sectors of the insurance market look upon 'layering' as little more than a gimmick which has the practical effect of reducing the overall premium payable by an insured company. What cannot be overlooked, however, is that this system allows insurers, if they wish, to select whichever layer they would like to write. This method, therefore, can take advantage of capacity which, otherwise, might not have been available, if the whole risk had been written under a single policy, with each insurer sharing the risk from the ground up.

In theory, of course, a complicated arrangement consisting of, say, five or six layers (or even more) ought to cost more, in total, than a single arrangement. After all, there may be five or six sets of underwriters, each with their own need for statistics and for underwriting infor-

mation relative to the layer of assumed risk.

With the 'layered' approach, each layer has to be revamped annually, or even more frequently in times of surges in inflation. Otherwise, the weight of risk assumption would soon get out of balance.

Unballancing statistics

In some sectors of the insurance community, it is thought that 'layering' has had its success because, often, the upper layers are under-priced – in the absence of proper statistics, at least in the short term.

Looking at the loss figures from the Fire Protection Association for 1977, there were 64 fires costing more than £500,000. Of those, 18 cost more than £1 million. Those 64 fires accounted for more than 15 per cent of all UK fire wastage.

Royal Insurance, looking at those figures, has pointed out that, for risks which could have a fire over £500,000, a substantial part of the total premium has to be reserved for the large fires.

Another question which has been raised is, if the layers are placed in different insurance markets, the buyer cannot necessarily be absolutely sure in the event of a large loss that all the layers will operate identically, and there will be no gaps in cover.

Another possibility, which should not be ignored, is that the new breed of underwriters writing 'layered' risks could turn out to be more volatile than those with a traditional approach, offering full cover. Such volatility could arise as a result of a 'run' of large losses wholly unconnected with the risk concerned. Should the withdrawal of cover be on one of the bottom layers, there is the risk that the whole programme could collapse.

Although, therefore, 'layering' is a new approach (and, often, can provide some saving in premium for an insured company), it has its dangers for any company choosing to take advantage of it. As in other areas, a 'cut price' contract may look attractive at the outset, but there are what could prove to be hidden dangers.

There are still plenty of people recommending the 'package' approach, which includes all the risks of loss – from large to small – in one policy. With such an arrangement, there can be no conflict of interest. It is argued that, when arranged on that basis, fire insurances can be

properly based on statistical experience for the trade class, having regard also to the risk engineering and experience of the individual case; and the application of average to all fire insurances ensures a fair contribution from all to the common pool, from which all losses have to be paid.

Leaving aside the subject of 'layering', there has been increasing use of substantial deductibles. A few years ago, members of the Fire Offices Committee (known as the tariff companies), did not allow for a maximum deductible of more than £10,000 each loss, and no aggregate deductible was allowed. The reason given was that 'over this (amount) it becomes extremely difficult to judge the size of the reduction in premium rate which is warranted'. The insurers thought it was highly doubtful whether appropriate reductions of such a type could be computed on the basis of the most detailed and sophisticated statistics which could be made available.

New flexibility

Since then, there has been a change of mind. This has been brought about partly by non-tariff British insurers and US insurers allowing much higher deductibles, both each loss and in the aggregate, for which substantial premium discounts were allowed.

Now, tariff insurers are prepared to consider deductibles up to £2 million, with the minimum figure for each loss being £20,000 with an aggregate of at least four times the amount of the each loss deductible, with a minimum of £100,000. Losses below 5 per cent of the deductible do not rank for aggregation.

The tariff insurers take the view that each case must be submitted for rating, which will be based on the relationship between the value of the deductibles and the aggregate limit which will produce a factor for discount calculation, which is then adjusted to take account of various individual features. Naturally, there is plenty of scope for individual negotiations, with the result that tariff companies often are prepared to quote terms which are quite close to those of their non-tariff competitors. The tariff market has had to become much more flexible, as a result of the competition which it has faced. That must benefit buyers of insurance, although it would be in nobody's long-term interests if the insurance market was to make substantial and sustained losses on its UK business, since capacity would dry up.

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required – Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1SS. Telephone 01-836 0832.



PA TO PARTNER**C. LONDON £9,000+**

Twenty Partner firm seeks recently qualified ACA for small group whose workload is split equally between audit/accountancy and financial/management advice. Previous holder of this position is now a Partner.

AUDIT SENIOR**W.C.2 To £9,000**

Recently qualified ACA, preferably with medium sized firm experience, is required by a young Three Partner practice to take early responsibility and handle audit, accountancy and taxation.

PA TO PARTNER**C. LONDON £8,500+**

Five Partner practice, following continued expansion, requires young ACA for the creative role of Personal Assistant. Excellent experience and involvement to be gained.

AUDIT SENIOR**N.W.1 £8,500 + Overtime**

Sophisticated techniques combined with approved internal CPE training make this Nine Partner firm attractive to an ACA/ACCA seeking valuable and varied experience.

AUDIT SENIOR**W.1 £8,000 + Travel**

Qualified ACA, with fluency in languages, sought by Ten Partner firm to handle varied clientele, several of whom are in Europe.

SPECIAL SERVICES**W.C.1 To £8,000**

Two Partner practice seeks enthusiastic ACA/ACCA to handle Management and Financial services to clients. Good opportunity to combine professional and commercial experience.

AUDIT SENIOR**CITY £7,750 + Overtime**

Five Partner firm, being a member of a Training Consortium, offers constructive continuing Professional experience, predominantly on manufacturing and trading clients.

FINALISTS**To £6,250 + Overtime****SEMI-SENIORS****To £5,000**

For further details on these and other vacancies in London, the provinces and overseas...

Contact John R. Ellis, FCA on 01-405 3499

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- **BOOK-KEEPERS**
- **ACCOUNTS CLERKS**
- **WAGES CLERKS**
- **MACHINE OPERATORS**

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

WESTWARD "HO"

**£5,500 – £8,000
QUALIFIED EXPERIENCED
AND FINALISTS
15 OPPORTUNITIES
AVON AND GLOUCESTER**

AVON

W61 Financial Accountant as No. 2 in financial accountancy department of major Avon manufacturing group. Excellent opportunity for person with auditing or commercial exposure of public company operations. 26–30. **to £7,500**

W204 Ambitious manager 24–28 for young progressive Avon office. Excellent scope for advancement and offering chance to specialise in small practice work. **to £7,500**

W215 Financial Accountant for Bristol H.Q. of financial services group 25–28 A.C.A./A.C.C.A. Ideal as first commercial appointment after qualification. **£7,000 plus generous benefits.**

W221 Senior qualified 77/78 for Bristol independent firm to specialise in broad range of private, company audits with related tax problems. **to £7,000**

W77 Audit Senior, Bristol A.C.A. for Public and Private company audits with leading firm, modern techniques available with broad range of auditing experience. **c. £6,750**

W212 General Practice Expert 30–45 not necessarily qualified for Bristol medium sized firm responsible for nucleus of clients from sole traders to small private companies. **c. £6,000**

W116 Internal Auditor Avon based responsible for Avon, Somerset, Dorset and South Wales. Auditing appreciation of national organisation. Experienced person with profession and commercial auditing knowledge. Finalist considered 23–45. **£5,500 plus generous benefits.**

W23 P.A. to Partner either young finalist or mature person with growing Bristol Chartered Accountants. Opportunity to take responsibility and develop career in general practice. **to £5,500**

GLOUCESTER

W142 Audit Manager Public and Private company responsibilities in Gloucestershire town practice. Person with national or international firm experience welcome. **to £7,500–£8,000**

W35 Management Auditor Gloucestershire based with engineering division of national manufacturing group. Area responsibility of Avon, Gloucester and South Wales. Progress to line management within 2–3 years. **c. £7,500 plus car**

W92 Country town firm with several offices in Gloucestershire and Wiltshire need young P.A. to Partner in small town office. A.C.A. 25–28 preferred eager to take responsibility for diverse group of clients. **c. £6,750**

W187 A.C.A. qualified 77/78 as young senior looking for progress in independent Town practice. Ability to enjoy varied practice work essential. **to £6,750**

W115 Young Senior with old established Gloucestershire firm with two expanding offices suit A.C.A. seeking to specialise in general practice and looking for partnership prospects. **c. £6,500**

W192 Internal Auditor Part qualified 24–35 for local division of local manufacturers based in small Cotswold Town. Responsible for operations in Midlands and West Country. Previous auditing experience an advantage. **to £6,000 plus expenses**

W218 Small practice and incomplete records expert for small town Chartered Accountants. Direct responsibility for client and Tax negotiations 28–40. **c. £6,000**

WESSEX CONSULTANTS

2 PETER STREET
YEOVIL, SOMERSET
0935-25996/25183



Topcare Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

AUDIT

AUDIT MANAGER, EC1 to £12,000
Qualified A.C.A./A.C.C.A. with previous managerial experience is sought by this medium/large firm of high repute.

P.A. TO PARTNER, EC2 to £10,000
Very suitable post for Audit Senior with 3/4 years post qualification experience. Expanding medium-sized practice.

AUDIT MANAGER, EC4 c. £10,000
Opportunity to specialise with this substantial, very well organised practice.

MANAGER, WC1 c. £9,000
Our clients are a small/medium-sized firm with very interesting work patterns. They seek someone with approximately 5/6 years' experience.

SUPERVISOR, EC4 to £8,500
To manage small businesses department of old established medium-sized practice in the City.

P.A. TO PARTNER, EC2 c. £8,500
Plenty of previous experience essential for this post with small friendly practice. Not necessarily qualified.

SUPERVISOR, WC1 c. £8,500
Not necessarily qualified but plenty of auditing experience required by this substantial firm in Holborn.

ASST. MANAGER, EC2 to £9,000
Due to a recent amalgamation this medium-sized firm are seeking a recently qualified lady/gentleman to assist one of their Audit Managers. This is a very progressive post.

PARTNER (DESIGNATE), W1 £Good
Small general practice seeks a recently qualified A.C.A. who has the ambition and "flair" to become a partner in the near future.

P.A. TO PARTNER, W1 c. £8,500
Very suitable post for a recently qualified A.C.A./A.C.C.A. wishing to gain all round experience.

NEWLY QUALIFIED/FINALISTS to £8,500
Too many posts to give individual details. Whether you seek to join a small, medium or large International firm or are not sure what is the best move to make, we will be most happy to advise and assist you.

TAX

ASST. MANAGER, SW1 c. £8,000
To deal with predominantly personal tax although some corporate knowledge would be useful.

MANAGER, WC2 c. £9,000
Excellent prospects for well experienced Personal Tax Manager with this medium-sized, old established practice.

ASST. MANAGER, W1 c. £8,000
Very promising future prospects exist for the selected candidate. Mainly personal taxation. Very varied work.

ASST. MANAGER, W1 to £9,500
Preferably A.T.I.I. to deal with mainly corporate taxation with this medium-sized practice in the Marble Arch area.

SENIOR/MANAGER, EC4 £8,500 +
Not necessarily qualified but good knowledge of both personal and company taxation essential.

SENIOR, EC4 to £7,500
Large practice requires someone who is well experienced in dealing with their own portfolio of personal tax cases.

SENIOR, WC2 £7,000 +
International practice seeks a Tax Senior who is interested in making progress within the firm. Preferably A.T.I.I. or student.

SENIOR, WC2 to £8,000
Several years experience of personal taxation required although knowledge of a certain amount of corporate tax would be most useful.

SEMI-SENIOR, WC2 c. £6,000
Opportunity to join a very friendly firm within a short distance of Charing Cross and deal with a variety of personal tax cases.

ASSISTANT, EC4 £5,500 +
Large International firm. Excellent training facilities.

JUNIOR ASST. WC1 to £5,000
Suitable post for ex-T.O. or someone with a year or two's professional office experience.

TRUST STAFF

ASSISTANT, WC2 c. £6,000
Large National firm seeks someone with knowledge of trust accounts.

TRUST MANAGER, WC2 £7,000 +
Good knowledge of both trust accounting and personal tax is required for this post.

SENIORS (City and West End) to £7,500
Many posts available for Trust Accounting Seniors in all parts of London and with all sizes of firms.

PROVINCIAL

AUDIT

Aylesbury - Senior. A.C.A. - £7,250
Bournemouth - Senior. A.C.A. - £NEG
Bradford - Mng. A.C.A. - c. £7,000 + car
Bromley - A.C.A. P/ship - to £9,000
Bury St Edmunds - Senior - c. £5,750
Derbyshire - Senior - c. £7,000
East Grinstead - Mng. - c. £6,000
Edinburgh - Seniors - c. £6,000
Farnham - N.Q. A.C.A. - £NEG
Glasgow - Qual Senior - £5,500 +
Helston - Senior. A.C.A. - c. £5,750
Ipswich - A.C.A. or Fnlst - to £5,750
Kettering - Mng. A.C.A. - to £9,000
Leatherhead - Semi Senior/Senior
Leeds - Unqual Senior - c. £4,500
Leeds - A.C.A. Senior - £NEG
Luton - Semi Senior - c. £5,000
Maidstone - Semi Seniors - £NEG
Newcastle - Assist Mng. A.C.A. - £7,000 +
Northampton - Qual Senior - c. £6,000
Oxford - Senior. A.C.A. - to £8,000
Portsmouth - N.Q. A.C.A. - £NEG
Rye - P.A. to Ptn. P/ship - c. £8,500
Southall - Mng. P/ship - to £8,000
Southend - P.A. to Partner - c. £7,000
Swindon - Senior. A.C.A. - to £7,000
Trowbridge - N.Q. A.C.A. - to £6,500
Wattford - A.C.A./Fnlst - to £6,500
Weybridge - Seniors - to £9,000
Weybridge - Semi Seniors - c. £5,500
Woking - Trainees - c. £3,000
Yeovil - N.Q. A.C.A. - to £6,500

TAX

Beaconsfield - Personal Tax - £5,000 +
Bedford - Mng. A.C.A./A.T.I.I. - £NEG
Birmingham - Tax Senior - c. £6,000
Birmingham - Personal Tax - £3,500 +
Blackpool - Personal Tax - £5,000 +
Bradford - Personal Tax - £5,000 +
Evesham - Personal Tax - c. £5,000
Exeter - Personal Tax - c. £5,000
Farnham - Personal Tax - £NEG
Harrow - Corp Tax - c. £6,000
Hertford - Personal Tax - to £7,000
Kettering - Mng. A.C.A. - to £8,500
Leatherhead - Personal Tax - £NEG
Manchester - Senior. A.C.A. - £NEG
Mitcham - Personal Tax - £7,500
Petersfield - Personal Tax - £5,500 +
Reading - Personal Tax - £5,000 +
Rushden - Personal Tax - c. £4,000
Weybridge - Personal Tax - c. £5,000
Worcester - Personal Tax - c. £5,500

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

AUDIT MANAGER CENTRAL to £12,000
Medium/large Firm are seeking the above. Preference will be given to someone with a large Firm background who has a good working knowledge of modern Auditing Techniques.

AUDIT MANAGER SMALL AUDITS
DEPT. CITY c. £8,500
Medium/Large Firm are seeking the above. Ideally they need someone with a working knowledge of Co. Secretarial, Liquidation and Receivership work. This is an old-established Firm who are in a strong growth rate at the moment.

AUDIT MANAGER N.N.Q. CITY

Small rapidly-growing Firm are seeking the above. Must be prepared to be a 'Shirt sleeves' type and work within a friendly atmosphere. First-class Partners.

AUDIT SUPERVISOR CENTRAL - £8,000
Medium/Large Firm are seeking the above. Ideally someone with a slightly larger type of background. Good Firm, excellent Offices, and first-class Partners.

AUDIT SENIOR WEST END - £Neg. High
Small Firm growing well with excellent work Patterns are seeking the above. This is one of the best Firms in the West End and is highly recommended by ourselves.

ASSISTANT AUDIT MANAGER. CITY c. £8,000
Large City Firm are seeking the above for their Small Audits Dept. Ideally they require someone with a small Audits background with the ability to rise throughout the Firm.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

ACCOUNTANT. - Qualified/unqualified with own car able to work on own initiative required by sole practitioner. C. £6,500. - Jack Bright & Co, Barclays Bank Chambers, 41 Newington Green, London N16.
ACCOUNTANT required by small firm of chartered accountants, not necessarily qualified but experienced in incomplete records and small company audits. £6,000+ - Telephone Ashford (Middlesex) 53009.

A CITY FIRM, King William Street, small/medium. Clients include International and public companies offers opportunity of challenging experience and early advancement to first-class Senior and Semi-senior. - Full details please to Box AC 7193.

AUDIT SENIOR ST. ALBANS

We are an expanding Chartered Practice with a wide range of clientele. We require an audit Senior qualified by examination or experience to take direct responsibility for the preparation and audit of corporate accounts. - Apply The Staff Partner, George Arthur & Co, 36, Lattimore Road, St. Albans.

DO YOU HAVE DIFFICULTY IN WORDING YOUR ADVERTISEMENT?

If so, may we help?
Ring 01-836 0832
Extension 30

CHARTERED ACCOUNTANTS

Edwards, Ruddock & Co

have vacancies for:

**Newly Qualified
Accountant**

**Experienced
Audit/Accounts Clerk**

Write to J. G. Ruddock,
48 Bromyard Road, Worcester,
or telephone Mrs Russ at
Worcester 423885.

ALL LEVELS OF STAFF required by West End chartered accountants. Good prospects and working conditions. - 01-387 0096.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agy).

BOOKKEEPER with car prepared to call on clients required for 20-25 hours per week. Salary negotiable. - Jack Bright & Co, Barclays Bank Chambers, 41 Newington Green, London N16.

CHARTERED ACCOUNTANTS NW. LONDON require junior and semi-senior staff. Training contracts including transfers available in suitable cases. - Box CA 3084.

CHARTERED ACCOUNTANTS require a qualified person to join their expanding two partner practice in a Leicestershire market town. - Please provide personal particulars with details of qualifications and experience to W. Osborne & Co, Harwood House, Park Road, Melton Mowbray.

CHARTERED ACCOUNTANTS require a semi-senior at their Woodford office. The position would suit either a newly qualified A.C.C.A. or member of the I.A.S. - Please reply to Box CA 3039.

FINCHLEY PRACTICE wants 3 semi-seniors - minimum two years' experience. Good training on audit, tax and accountancy - competitive salaries paid. - Brian Ingram Associates, 01-458 5313.

HOVE OFFICE of National firm of chartered accountants require newly qualified and senior audit staff. Salaries up to £6,500 p.a. dependent upon relevant experience. Applications to J. E. Powell, FCA, Kidsons, 83a Western Road, Hove, Sussex BN3 1LJ.

NEWLY QUALIFIED C.A. - chartered accountants in vast expanding North London practice have a vacancy for a newly qualified chartered accountant. Young go-ahead firm with interesting and varied clientele, in-house computer, career prospects. - Reply to Kruger & Co, Chartered Accountants, King House, 60/64 Matthias Road, London N16 8NW. Telephone 01-249 8571.

NORTH LONDON firm of chartered and certified accountants require experienced audit and taxation staff to work directly with partners. Salaries at current levels are negotiable according to age and ability. - Please telephone Staff Partner at 01-837 6301.

QUALIFIED/NEAR QUALIFIED accountant required to manage small branch office at Worcester. Small flat may be available. - Please write fully to: Staff Partner, Smith & Co, West Lodge, LEOMINSTER, Herefordshire.

PERSONAL TAX SENIOR

An experienced tax senior is required by a small Chartered firm in the West End. The position entails reporting directly to a partner and carries individual job responsibility.

We offer flexible working hours with a friendly atmosphere and a starting salary in the region of £7,500 p.a.

Please apply giving brief details in own handwriting to Smees Moore & Co, 50 Monmouth Street, London WC2H 9ES.

PERSONAL TAX ASSISTANT required (semi-senior) by chartered accountants in City near Liverpool Street. - Tel. 01-247 9853.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6420.

RICHMOND CHARTERED ACCOUNTANTS

We are a forward-looking and expanding firm based in the centre of Richmond, Surrey, and are currently seeking to recruit an audit senior with one to three years' post-qualification experience. In addition, we are always interested in interviewing all grades of accountancy and tax staff, of above-average ability, who would welcome the challenge of a responsible job with variety of work and excellent rewards.

Apply to Mr D. O. Mitchell, Meeson Makinson, Ashley House, 18/20 George Street, Richmond, Surrey. Telephone: 01-940 6020.

RUGBY WARWICKSHIRE

Chartered accountants require A.C.A. with wide experience in medium-sized practice. Salary negotiable. Pension, B.U.P.A. etc. - Apply Box RW 7195.

SENIOR PARTNER of small firm of chartered accountants based in Sutton, Surrey, seeks a personal assistant. Wide variety of work and salary of £8,000 per annum offered to a person with a minimum of 3 years' professional post-qualification experience. - Please reply to Box SP 3052.

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act.

Our service to applicants is personal, confidential and free

COMMERCE • PRACTICE • INDUSTRY • PRACTICE • COMMERCE



Accountancy Personnel

AUDIT MANAGER - EC2 £10,000
Our client, a medium-sized firm of C.A.s, wishes to recruit a manager for their rapidly expanding audit department. They are looking for a qualified A.C.A. of future partnership calibre with the ability to control staff and handle smaller public company audits.

P.A. TO PARTNER - W1 £9,000
This is an ideal opportunity to move into general practice and be groomed for partnership with this established West End firm. They can offer an ambitious qualified A.C.A. early responsibility and the chance to build on their experience to date.

TAX SENIOR - BASINGSTOKE £7,100
An advanced provincial firm will train an ambitious chartered accountant in the finer points of taxation practice. Once trained they will work closely with two young tax partners with a view to partnership within two years.

SOUTHERN COUNTIES FINALISTS £Neg
We have a large number of clients looking specifically for P.E.2 finalists. Opportunities for advancement into firms of quality and reputation exist in: Aylesbury, Cheltenham, Winchester, Reading, Maidstone, Epping, Near Ascot, Aldershot, Harlow, Luton, Oxford, Weybridge and Newbury.

AUDIT/TAX/INSOLVENCY
Accountancy Personnel handles all work in the profession at all levels from student to partner. Our close links with firms large and small enable us to provide a range of opportunities that is second to none. See our advertisements in *Accountancy*, *Taxation*, *Accountants Weekly* and the *Daily Telegraph*, or, better still, call in for a chat at one of our offices below.

N.B. LATE NIGHT OPENING THURSDAYS UNTIL 7.00 P.M.

14 Great Castle Street, Oxford Circus, W.1. 01-580 9186

Halifax House, 62/64 Moorgate, E.C.2. 01-628 8525

SENIOR AND SEMI-SENIOR clerks required by chartered accountants in City near Liverpool Street. - Tel. 01-247 9853.

SENIORS REQUIRED for branch offices in small market towns Shropshire/Welsh border area. Experience of incomplete records, small companies, taxation. Partnership opportunity. Age, qualifications, experience to F. L. Constable, Whittingham Riddell & Co, Ellesmere, Salop.

SMALL CITY FIRM of chartered accountants (Barbican area) require a person to act as audit manager responsible to partner. - Box SC 3057.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. - 01-405 4457.

TRAINING CONTRACTS

TRAINING CONTRACT is offered by a six partner firm in London W2 to students with an above average foundation course result. We are prepared to discuss future arrangements with students nearing the end of their course. Progressive salaries, course fee and study leave are all paid by the firm. Closely supervised training programme for exams. Practical training by partners. - Box TC 3078.

ARTICLED CLERK, foundation completed or transferee, required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. - Write Box AC 3077.

ARTICLES/TRANSFERS from £3,250. - Pembroke & Pembroke operate a national service. - Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

CLERK studying for certified examinations required for chartered accountants, London N20 area to assist partners in small, varied busy practice. Excellent experience given. Good salary. Annual bonus. - Box CS 3031.

COMMERCE AND INDUSTRY

GOOD OPPORTUNITY for a qualified Accountant within the age range 25-45 to assist and advise in a Private Family organisation.

The position requires above average ability on a variety of work including company matters, Lloyds Underwriting, estate work, overseas investment, taxation and similar subjects.

The successful applicant will be located at the City Office but may be required to travel on occasions. Prospects are excellent and a commencing salary of not less than £7,000 with good fringe benefits is envisaged. There are possibilities of a Bonus.

Please apply with full details of past experience, age and present salary. Box GO 3068.

AN ACCOUNTANT to take full responsibility of an accounts department in NW1 area - salary £10,000 - negotiable. Private company requires experienced financial accountant, not necessarily qualified, to take complete charge of all accounting functions of the company and be responsible for accounting and clerical staff. A mature person would be more welcome, who must be able to work on own initiative. The company plans to computerise in the near future the present mechanised accounting system. Applications with full details should be addressed to the company's auditors: Mochan Mediratta & Co, 21 Buckingham Street, Strand, London WC2N 6EF. - Telephone 01-839 1041.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that the reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

Taxation Partner Designate

Substantial five-figure salary

Our client, a leading accountancy practice, seeks a partner designate to take complete charge of its personal taxation work in Northern Ireland. The person we seek will be able to manage a department providing personal taxation advice involving individuals, partnerships and companies. This will require skills in areas including income tax, corporation tax, capital gains, capital transfer and development land taxes.

Age, preferably in the 30-40 range, and qualifications, ideally a chartered accountant qualified in taxation, are less important than

the knowledge and personality required to give sound advice on complex cases to a wide range of clients and manage the day-to-day work of his or her department. The successful candidate could have a background in a professional office, a major company or with the Inland Revenue and will be eager to contribute to overall practice development. We do not see salary or other benefits posing any obstacle to filling this highly attractive position which is located in Belfast. If you are interested please write or telephone in strictest confidence quoting Ref: 45/TPD/A.

PA Management Consultants Ltd

Executive Selection Division Ulster Bank House, Shaftesbury Square, Belfast BT2 7DL Tel: 0232 27467.



A member of PA International

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

INVESTIGATION SENIORS

London

£8,000-£10,000

A major U.K. practice with a substantial range of both public and large private company clients is currently expanding its investigation department.

Candidates will be qualified A.C.A.s with previous experience of investigation work or alternatively will have had larger firm audit experience and an interest in pursuing a career in this specialist field.

The salaries offered will be dependent upon previous experience.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TECHNICAL DEPARTMENT

London

MANAGER

A leading national practice with approximately 2,500 partners and staff servicing in excess of 50 offices wishes to recruit a manager for their technical department in London

Ideally candidates will be 3 years qualified with an interest in spending a further two years in this department. The work involves both solving the day-to-day technical queries within the Practice submitted by various offices and dealing with 'one off' research projects - e.g. assessing the effect of European Law on the U.K. company.

It is envisaged that for the right individual future prospects within the Practice will be good. The salary and benefits offered are negotiable.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (T

A TAX

W

LEA

INTERNAT

£6,000 1

Our client, a leading international exceptional training opportunities qualified accountants and those with development in CORPORATE PERSONAL TAX.

Continued expansion within the prospects for:

TAX SENIORS

in I

BIRMINGHAM

BRISTOL

In the first instance, telephone

01-2

HEWITSON-WALKER (T
1 SNOW HILL COURT,

ATION APPOINTMENTS)

CAREER

a ING ONAL FIRM £13,000

of Chartered Accountants, offers
l a challenging career to newly
vious tax experience, seeking career
Z, PERSONAL TAX or U.S.

has created excellent promotional

AX MANAGERS

ON
GOW NOTTINGHAM
S SOUTHAMPTON

or write to John Walker, F.C.A.

0441

ATION APPOINTMENTS)
OW HILL, LONDON EC1

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

AUDIT MANAGER

£15,000

c. 10-YEAR QUALIFIED

A large London Firm with international reputation for specialist services in various types of industries has a need for an additional experienced audit manager.

Candidates will be qualified A.C.A.s with around 10 years' post-qualified experience, particularly of larger close companies. Experience of public company audit procedures would be an added advantage.

This position arises out of the expansion of the Firm's activities.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TRAINING MANAGER

London

A well-established City Firm with various associate offices in the United Kingdom currently wishes to recruit a Training Manager.

Candidates will be Chartered Accountants with a keen interest in organising and running courses for qualified and student members of staff. Previous training experience is not essential but would be an advantage.

Salary is negotiable dependent on age and experience.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

Company Tax Specialist

We have a career opening in our taxation and corporate structure department at Shell Centre for someone with practical experience in U.K. corporate tax. While initially the work will be concerned mainly with the submission of U.K. corporation tax computations and handling technical problems arising in connection with them, involvement in more complicated and challenging matters will follow as experience is gained. Opportunities could arise later for a transfer to work on foreign taxes, either in London or overseas, or to other finance divisions.

The successful applicant will be either a qualified accountant or a fully trained Inspector of Taxes and will have at least two years' post-qualification experience of company taxation. Preference will be given to candidates who are under 30 and hold a university degree.

A five figure salary will be offered commensurate with age and experience. In addition we offer a wide range of company benefits. Please write or telephone for an application form to:

Shell International Petroleum Company Limited, Recruitment Division (A22) (PNEL/21), Shell Centre, London SE1 7NA. Telephone 01-934 2495.



Corporate Taxation

Berks. c. £9,500 p.a.

Our client, a major manufacturing company, with substantial overseas interests seeks a suitably experienced senior for this specialist area of accounting. Initially, the successful candidate's duties will involve U.K. tax compliance and planning; later to include tax aspects of the overseas interests.

Candidates should preferably have an accountancy or taxation qualification and should write enclosing a full C.V. and stating the names of any companies to whom their letter should not be sent.

T. L. Roberts, Director (Ref. 499/AC).

Whites

Whites Recruitment Limited
72 Fleet Street, London EC4Y 1JS
Offices: Bristol, Glasgow, Leeds, London,
Manchester and Wolverhampton

Top-level Tax Consultant? Aspiring Top-level Tax Consultant?

One of the largest and best-known London-based tax consultancies with a well-established client list is planning further substantial expansion in the 1980s.

Applications to join the multi-discipline team of consultants are invited from qualified accountants, lawyers and Inspectors of Taxes who have several years' practical experience in corporate and personal tax.

The environment is challenging, and the career prospects and earnings potential are exceptional.

Please write with full personal and career details, marked Private and Confidential, to:

Alan Rook, F.C.A.
Director
Financial Techniques (Planning Services) Limited
Hillgate House, 26 Old Bailey, London EC4M 7HS

Personnel Resources Limited 01 248 6321

Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

£8,000 to £25,000 p.a.
**The Unadvertised Positions in
the Accountancy Profession**

■ **THE SERVICE RMA** are acknowledged specialists for Practice Merger, Association, Disposal, Dispute and Counselling, nationwide. As a result of our success and close links with Principals we are entrusted with many unadvertised and exceptional opportunities for Partners, Managers, Specialists and seniors in public practice.

■ **TO APPLICANTS** The value of our service is that you will be able to review attractive possibilities without disclosing your identity or intentions – safeguarding your present position. Our service is completely free to all applicants and we suggest that nothing can be lost by contacting our Managing Partner in confidence immediately.

■ **TO CLIENTS** As the Partners, Managers and Specialists in any Practice are the key to profitability and growth, it is essential to have only professionals of proven ability in executive positions, remembering that in a service business, such as a professional Practice, the top people are the business. Confidentiality will be assured.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

**Acquisition/Merger Req'd
in South of London or Surrey
by City Practice GF £1m**

■ **LOCATION.** A highly respected City firm of long standing now wishes to expand by means of a compatible acquisition or merger in the South of London/Surrey and will seriously consider blocks or practices in this area.

■ **OUR CLIENT.** With a partner/Staff complement of c. 100, GF over £1,000,000, strong and comprehensive city connections, a national clientele, advanced systems, valuable training facilities and excellent client acceptance, we feel that superb prospects exist for rapid personal, professional and steady financial advancement.

■ **OUR PROPOSALS.** If you are overworked, under capitalised or frustrated and wish full/partial withdrawal our client can offer an attractive capital payment of up to 1½ times GF depending on size and quality, with continuity. Alternatively should a merger, appeal, then generous personal and financial terms will be equitably negotiated and full recognition given to each partner's stature, professional ability and personal contribution.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

**OFFICIAL
APPOINTMENTS**

**INNER LONDON
EDUCATION AUTHORITY**

**SOUTH WEST LONDON COLLEGE
FACULTY OF ACCOUNTANCY**

Part-Time Lecturers

Required for January 1980 to teach on Professional Accountancy courses at all levels (I.C.M.A., A.C.C.A.):

Financial Accounting and Costing
Taxation
Auditing

Contact Ken Glaser or Les Austin on 01-874 2145/6680 or write to the College at 196 Garratt Lane, SW18, quoting reference FAC/2.

**PARTNERSHIPS
AND
PRACTICES**

A **BOURNEMOUTH** expanding four-partner firm needs another chartered accountant, aged 30 to 45, to shoulder substantial responsibility. Some capital required. Prospects commensurate with experience and ability to advance our standing in the profession. – Please write to Box AB 3048 or telephone 0202 423254/5 for an interview.

A **BRIGHT YOUNG** chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. – Please reply to Box AB 6425.

A. B. **OSMAN & COMPANY LTD** provides specialist tax advisory service to accountants throughout the U.K. – For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

BIRMINGHAM OFFICE of medium-sized chartered firm, general practice, modern offices, Edgbaston, has surplus accommodation, suitable small firm seeking working arrangement possibly leading to merger. Training facilities available to staff. – Box BO 3032.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. – Box CA 6429.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. – Box CA 6428.

CHELMSFORD CHARTERED ACCOUNTANTS require qualified chartered accountant with all-round experience to be involved in future development of fast expanding practice. Definite partnership opportunities within reasonable period. – Please reply in own writing giving full details of experience, salary required, etc. to Box CC 3058.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantages. – Please reply to Box CC 6430.

CITY FIRM of chartered accountants concerned to give a personal service to clients is interested in acquiring additional fee income from a practitioner wishing to retire. – Box CF 3079.

EAST MIDLANDS CHARTERED ACCOUNTANTS. – Old established firm with several offices seeks association with national firm able to provide assistance in training and specialist operations. We can offer local representation using our experienced audit staff with international firm experience. – Box EM 3059.

FOR SALE. Block of audits and accounts, G.R.F. £25,000 (fifty clients) by Central London F.C.A. retiring from full-time practice due to other interests. Outright sale preferred with full co-operation to ensure continuity. Price £40,000. – Box FS 3049.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. – Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

**PROFESSIONAL SERVICES
DIVISION**

Our Professional Services Division was formed since we found that as recruitment consultants to the professions we were being asked to look not simply for partners but to assist with the acquisition, disposal and merging of professional practices.

We are now advising a large number of practices, both nationally and internationally, and we invite practitioners and firms considering sale, purchase, merger, association or representation to contact us for details of our service.

**DENNIS CHATFIELD &
ASSOCIATES,
WHEATSHAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353 1307/8
01-353 5831**

An F.C.A. and an A.C.A. with extensive professional and commercial experience now have capital available to buy whole or part of **London-area practice of £15,000-£75,000 G.F.** We will gladly accommodate all reasonable needs, including immediate or future retirement, workload relief, technical assistance, personal/financial problems. Our view is long-term satisfaction for vendor, clients and ourselves and we will act accordingly. Every reply will be answered and treated in the strictest confidence. Box AF 30916.

Practice Disposal in the Home Counties, West of London GF c. £225,000

■ **OUR CLIENT** A Chartered Practice which has commanded respect since the turn of the century, having a GF of c. £225,000, and steadily growing, now wishes to make suitable arrangements for disposal due to the impending future retirement of the partners. Present organic growth should reach £½ M within 5 years.

■ **THIS PRACTICE** serves a well spread, mixed clientele for most professional services with a partner/staff complement of c. 30. It is operated from well appointed extremely central and sought after premises of c. 5,500 sq ft. The location is in an area of pivotal importance for industrial and commercial potentiality.

■ **REMARKS** Propositions are invited from substantial firms for the goodwill and excellent potential of this strategically positioned practice. Limited continuity will be assured by the vendor to promote a smooth transition and all enquiries will be treated in strictest confidence. Your identity is not revealed without prior permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

HOMEWORK IN ESSEX. — Accountants book-keepers etc required. — Send full C.V. in strictest confidence to RMA, 157 New London Road, Chelmsford, Essex. Tel. 0245 81166.

IN EXCHANGE for hard, reliable work a small chartered practice based in Southend-on-Sea area can offer a young qualified accountant the opportunity to earn a small fortune. — Reply Box IE 3066.

RECRUITMENT CONSULTANT. — Essex-based practice merger and recruitment consultancy dealing with the profession, nationwide at principal level, requires an experienced man or woman who could benefit from reduced travel, an innovative approach, exceptional financial potential and personal recognition. In the first instance, contact our managing partner for a discussion in strictest confidence. — Resource Management Associates, 157 New London Road, Chelmsford, Essex, Tel. Office 0245 81166 Evenings 0245 59348.

PRACTITIONER requires practice/block in Gloucester/Forest of Dean/Hereford area. — Box PR 3080.

SOUTH BUCKINGHAMSHIRE chartered accountants practice, established over 30 years for sale. Two full-time partners and one part-time together with secretarial staff. One full-time partner and one part-time partner retiring due to age. The remaining partner prepared to continue to ensure satisfactory continuity. Fees for current year approx. £45,000 including £38,000 recurring. Lease of more adequate office space at very low rental until 1989. Write in confidence preferably indicating basis on which prepared to negotiate the value to be placed on good will. — Box SB 3072.

SOLE PRACTITIONER (51) — F.A.P.A., F.B.A.A., situated Guildford area. G.F. £18,000. Welcomes discussions with a view to a merger or share services to a mutual advantage. — Box SP 3069.

SMALL PRACTICE HARROW AREA. £12,000 G.R.F. Cash offers only. Office lease 21 years low rental if required. — Box SP 3060.

SMALL PRACTICE of block of fees required within 20 miles radius of Worcester. All proposals considered. — Box SP 3081.

SOLE PRACTITIONER N. London, wishes to retire and seeks inquiries. Practice of some thirty years standing with varied clientele. — Apply Box SP 3035.

TWO QUALIFIED ACCOUNTANTS wish to acquire practice or blocks of audits up to £100,000 in London area. Would also be interested in discussing with practitioners considering retirement. — Box TQ 3070.

SUBCONTRACT WORK

CHARTERED ACCOUNTANT seeks subcontract work in Central or West London or Thames Valley area. Wide professional experience in all fields. Flexible arrangements. — Box CA 3073.

HARROW/WEMBLEY CHARTERED ACCOUNTANTS require person to prepare draft accounts and tax computations at their offices on a subcontract or full-time basis. — Details of experience to Box HW 3036.

ACCOUNTANT QUALIFIED. — Incomplete records to limited company accounts, tax costing, etc. — Box AQ 7174.

ACCOUNTANT with eleven years experience in incomplete records, partnerships, large and small limited company, audits and accounts, solicitors, correspondence and taxation. — Please reply Box AW 3061.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6432.

ANNUAL RETURN — COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ
Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex: 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER CONSULTANTS

Alan Duck and Associates Ltd

Circle House South, 65-67 Wembley Hill Road, Wembley, Middx. Tel. 01-903 6455

Specialist Areas: Feasibility studies, cost/benefit analysis, assistance with computer selection and implementation.

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services(South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas — suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS — An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd — Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol.

The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5.
Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Services Directory

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554
Computer Bureau. Specialist areas. Assets Register.
Property Management. Send for Free Brochure

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London
SW1. Tel. 01-828 7744. Telex. 8813082

Specialist areas: systems implementation, networks,
information management, word processing, OR, marketing,
software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663

Employee share and incentive schemes, remuneration and
benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892

Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street,
London SE1. Tel. 01-407 9587. Showrooms:

27 Montpelier Vale, London SE3. Tel. 01-318 4394

Advice-Sales-Service on the widest range of new and
reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321

Corporate/personal tax counselling, executive fringe benefit
plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES - COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Practitioners can, in association with us, provide
management information with ease and profitability to
clients. Cash flows, profit forecasts etc.

FINANCIAL PLANNING SERVICES

Alan Smith, Aston & Partners Ltd

94/96 Newhall Street, Birmingham. Tel. 021-236 0891

Managing Director: T. A. Smith, B.Com., F.C.A., F.P.M.I.

Self-administered or Insured Directors Pension Schemes
Tax-efficient investment for income and/or growth.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353

Telex. 264420. Contact Michael Southgate

Service to Industry, Press/Stockbroker/Shareholder
Relations, Annual Reports, Reporting to Employees

INFORMATION MANAGEMENT SERVICES

LMR Computer Services

54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN
Tel. Maidenhead (0628) 37123

On-line information update, enquiry, analysis selection and
reporting. Linked with text processing and document
production. Mailing, personnel, property, sales
administration, etc

INSURANCE BROKERS

Gissing Selson Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA
Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336
(Ring, write or call)

Household and personnel effects and luggage collected,
packed and shipped world wide by bonded member of the
British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788

Specialist supply of all types of equipment and consumables
to Practitioners. Agencies with all major suppliers,
discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE

Branches: 61-63 Beak Street, London W1R 4JA

186 Fleet Street, London EC4

Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

Specialty designed service for Practitioners offering PAYE
Services. Includes the 'normal' reports and additional
schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB.

Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh,
Manchester and Dublin.

Independent consulting actuaries with offices
throughout the United Kingdom advising and acting
for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH
Tel. Long Stratton (0508) 30324 and 30488

Norfolk and Suffolk. Professional Investigators,
Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants
in UK and EEC. Publishers of 'Prices and Fair Trade
Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford,
Middx UB6 8DW. Tel. 01-998 8888. Telex. 935109

(Open 7 days a week)

Specialising in office, commercial and factory removals.

Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB

Tel. 01-439 6007. Telex. 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA

Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone:
offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Based on our considerable experience, we can advise the
Practitioner on how to cut through the morass of new
technology to obtain higher profitability and greater
efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London EC4N 6AE. Tel. 01-248 4277.

Members of the Stock Exchange, established 1852.
Can offer facilities for the private and professional
investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX
Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular
valuations and reviews. Personal partner supervision.
Please contact Mr J. A. D. Skalles, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London
EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and
international portfolios, including those of private
individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage
Gardens, Manchester M60 3AH. Tel. 061-834 2332

Telex. 667783 and London

Service include regular reviews, financial planning,
pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street,
Plymouth, 30 Milsom Street, Bath, 16 Southernhay West,
Exeter

Valuation and rating surveyors, consultants to caravan and
leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green,
Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes
of alterations, improvement and repair, design of new
building, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow
Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of
industrial/commercial groups including machinery and
plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561
(and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation
and Estate Agency, including valuation of Company assets
for all purposes

TAX ASSESSMENT - COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated service to monitor tax payments due,
and overdue accumulating interest. Register and payslips
prepared fortnightly. Permanent tax schedules prepared

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and
records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA
Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UJ
Tel. 01-836 1840 and 01-836 1923

All languages — all deadlines

EXPERIENCED F.C.A. with small practice available for subcontract work two or three days per week. London area. - Box EF 3053.

F.C.A. (30) seeks subcontract work and temporary assignments. Willing to work at firms premises. London, Middx, Herts. - Box FC 3082.

F.C.A. (33) seeks subcontract work. Small/medium company audit, incomplete records, tax, VAT, payroll preparation. Merseyside area. - Box FC 3054.

GREATER MANCHESTER. - Subcontract accountant requires work. Extensive experience in sole traders, partnerships etc, and all relevant taxation matters. High standard of preparation guaranteed, at reasonable rates. Prompt collection and delivery. - Box GM 7196.

LONDON F.C.A. with wide practice experience available to assist practitioners requiring skilled professional assistance. - Box LF 3083.

SITUATIONS WANTED

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. - Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. - Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. - All replies to Box AC 6435.

PART QUALIFIED young man with seven years professional experience. - Box PQ 3074.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.

PRACTITIONERS SERVICES BUREAU

Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5
Fees and Job Applicants required also.

TRAINING CONTRACTS

A.C.C.A. (POST FOUNDATION) trainee accountant (21), available to start January 1980. - Please write to Mr B. R. Patel, Room 464, Central London Y.M.C.A., Great Russell Street, London WC1.

SERVICES

COMPANY FORMATIONS

A BACKED SERVICE. - Limited companies formed or ready made. - Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETLEBURGH LIMITED
140 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON EC4Y 0HE. Tel. 01-353 1441
Ring any day - any time - 24 hour service

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5

3177/8, 7361, 9936

Telex 887475

Express Co Registrations Ltd
30 CITY ROAD
LONDON EC1

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

LIMITED COMPANIES

NEW FORMATIONS, OR READY-MADE COMPANIES

£90 complete

including VAT, duties, combined register, seal, forms filed, etc.

NO HIDDEN EXTRAS

ALSO

COMPANY SEARCHES

increases, name changes, etc., etc.
Descriptive Literature from:-

GRAYS INN COMPANY FORMATIONS LTD
87-89 Tabernacle Street,
London EC2A 4BA
(Phone: 01-253 3551/2)

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

COMPANY SEARCHES. - Prompt and reliable personal service at moderate rates. - M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

READY-MADE COMPANIES available now, also formations, etc. - Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

READY-MADE COMPANIES £93-35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81-68 including books, seal, VAT, *Speedy searches.* - Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

MORTGAGES

ABANDON CHASING THAT MORTGAGE. - 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. - Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

A COMPREHENSIVE MORTGAGE SERVICE. - Maximum loans for professional applicants. Very competitive top-up facilities. Attractive second mortgage scheme. *Speedy* mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. - Rowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. 01-908 3434 (24 hours).

100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. - Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

MISCELLANEOUS

PERSONAL

DATeline's psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

1979/1980 FACSIMILE TAX FORMS NOW AVAILABLE

SHARPTHORNE PRESS

149 Stafford Road, Wallington, Surrey
Tel. 01-647 9510

BUSINESS PREMISES

PROFESSIONAL INSURANCE CONSULTANTS offer first-class ground floor offices in Edgware of approximately 400 sq. ft. With excellent facilities to small/medium-sized accountants. - Apply Box PI 3038.

BUSINESS OPPORTUNITIES

F.C.I.I. helps sole practitioners who are ambitious to extend the range of their financial services on a profitable basis. London and Kent. - Box FC 3062.

SWITZERLAND

Ski chalets and apartments by Lake Geneva and in surrounding ski resorts. An extremely desirable investment for professional people and clients. Write initially for details to Victor Stewart & Co, 50 George Street, Croydon, CR0 1PD.

BOX NUMBERS

Replies to advertisements
using Box Numbers should
be addressed to:

Box.....

Gee & Co (Publishers) Ltd

151 Strand, London
WC2R 1JJ

First Loans Agreed from Subsidy Fund

The first loans from the resources of the New Community Instrument for Borrowing and Lending – a total of 231.7 million EUA (\$316 million) for investment projects in Ireland, Italy and the UK – have been announced. The loans are for investment in energy supplies, water and sewerage infrastructure, road and telecommunications improvements.

The Commission has also signed a co-operation agreement setting out the arrangements for implementing the council's decision to provide 3 per cent interest subsidies, paid from the EEC budget, on selected loans from the European Investment Bank's own funds and from the New Instrument resources in the less prosperous member states fully participating in the European Monetary System. Both Ireland and Italy have been named.

The New Instrument, also known as the Ortolí Facility, was first proposed by the Commission in June 1977 as a way of stepping up EEC action on unemployment, sluggish investment and insufficient convergence in national economic performances. Loans for infrastructure will cover, in particular, transport, telecommunications, agricultural improvement schemes, water supplies and environmental protection. The Commission rules on the

eligibility of any project for which a New Instrument loan is sought. In other respects the procedures for obtaining such loans, the interest rates charged and other terms are comparable with those applying to loans from the EIB.

The co-operation agreement signed between the Commission and the EIB on interest subsidies will be applied in the framework of the EMS. Under the regulation adopted by the Council on August 3rd, 3 per cent interest subsidies are to be applied from January 1st, 1979, on loans totalling up to 5,000 EUA (1,000 million EUA per year for five years) granted from the EIB's own resources and those of the New Instrument. The cost of these subsidies, to be borne by the EEC budget, will be 1,000 million EUA (200 million per year for each of the five years).

Subsidy loans are to be concentrated on infrastructure projects which help to solve main structural problems in the countries concerned, reduce regional disparities and improve employment. Under the agreement the Bank will appraise projects according to its usual practices. The Commission rules on the eligibility of projects for subsidies within the terms of the Council's decision.

Borrowings of the New Instrument will be raised on the capital markets by the Commission.

monetary, need to debate the draft before presenting an opinion to Parliament, some time this month or next. Although the Commission had hoped the Directive could be passed in 1980, this now seems unlikely.

Together with draft Directives on the EEC prospectus, to be published when securities are submitted for quotation, and on conditions for admission of securities to stock exchange quotation, agreed in principle by the Council in 1978, the Directives from the first step towards harmonisation of EEC financial institutions.

German Investment Expansion

High order-book levels for capital goods and plant construction in West Germany lead the Hamburg Economic Research Institute to expect a further expansion in investments for the rest of this year. It says the outlook for 1980 is still unclear with the institute uncertain on the effects that oil price rises will have on Germany's main trading partners and the outcome of wage negotiations.

Because of the general upswing of the German economy and the high demand for its goods abroad, companies have been inclined to invest. High production capacity and improved order-book levels, outweighed oil price rises, which hardly influenced business expectations.

Professional Independence

The first of a series of statements on professional ethics – 'Independence' – has been issued by the Union Européenne des Experts Comptables. The definitive text closely follows that of the original exposure draft, published in *The Accountant* of July 28th, 1977.

The present statement repeats the essential rule approved by the UEC executive committee in March 1975: 'The accountant should exercise his profession with independence and objectivity. He must always be in a position to give an honest and disinterested opinion. If he is unable to carry out these duties, he should refuse to act or he should withdraw. He should act similarly if circumstances are such as fairly to undermine the trust of others in the independence of his position'.

Banks Criticise Disclosure Draft

Savings banks in the EEC feel that Commission proposals for a Directive on information to be published on a regular basis by companies listed on a stock exchange is unacceptable.

From the beginning special schedules for credit institutions, as well as insurance companies, should be made. The groups want the delay in publishing half-yearly reports to be reduced from three to two months and suggest certain improvements for particular data,

including information on the state of the order book and a breakdown of turnover within and outside a group.

The groups feel that the simultaneous publication in all countries should only apply to the original version and not to translations, since that would increase the danger of inside information leaking out during the translation stage.

The draft Directive, put to the Council in January, needs to be examined by the Council working group, the European Parliament and the economic and social committee. Two committees in Parliament, the legal and the economic and

Accountant Abroad

CICA Draft on Accounting Changes

In a recent exposure draft, the CICA Accounting Research Committee has proposed a number of recommendations dealing with the accounting treatment of a change in an accounting policy: revision of an accounting estimate; a reclassification of items in prior period financial statements presented for comparative purposes; and a correction of an error relating to prior period financial statements.

When a change in accounting policy is applied retroactively, the financial statements of all prior periods should be restated to give effect to the new accounting policy. When there has been a change in the current period, it is recommended that the nature and effect of the change be disclosed.

The effect of a revision of an accounting estimate should be accounted for in

the period of revision, if it affects the financial results of that period only or the period of revision and applicable future periods if it affects the financial results of both current and future periods.

When changes have been made in the classification of items in the current period's financial statements, such items for all prior periods should be reclassified to conform with the new presentation; and the fact that such reclassification has been made should be disclosed.

In instances where there has been a correction in the current period of an error in prior period financial statements. The nature and effect of the error should be disclosed and the fact that prior periods have been restated.

Comments are invited on these recommendations not later than January 15th, 1980.

accounting for changing prices and on the conceptual framework of accounting, particularly dealing with concepts of measurement, and of funds flows and liquidity.

Mrs Sarah Fogg, who comes from Touche Ross in Canada, has been appointed as a senior technical associate on emerging problems.

Translation of Foreign Currency

FASB Statement Number 8, issued in 1976, lays down the rules for translating foreign currencies into US dollars. A controversial requirement is that all foreign exchange losses or gains should be reported in current earnings, whether or not they have been realised. The Board has been considering the need for a revised statement, in view of the opposition to FASB 8, and had said that new rules would be published before the end of 1979. However, the Board says that there does not seem to be any support for a limited proposal for this year, and a full treatment of the problem cannot be completed until next year. The present plan is to issue a final statement in 1980. It is a 'very difficult and complex subject' according to Raymond Simpson who is the FASB manager in charge of the project.

New AICPA President

There is to be a new President next year of the American Institute of Certified Public Accountants. Wallace E. Olsen who has been president for seven years said that the exact date of his departure would depend on how soon a successor can be found. A special committee has been appointed by the AICPA Board to look for candidates.

The Institute has nearly 150,000 members and employs 500 people. It had an income last year of almost \$31 million from membership subscriptions and fees for examinations and professional education courses.

There is also a chairman who is elected annually; last year it was Joseph P. Cummings, of Peat Marwick Mitchell & Co. The new chairman, William R. Gregory, from Tacoma in Washington State took up office at the annual meeting of the Institute on October 14th.

Repatriation of Foreign Profits

Many US multinational corporations have substantial profits arising from their overseas operations. In some cases the foreign earnings are as important to them as the domestic earnings but they are often reluctant to bring the profits back to the United States because of the tax consequences. The Internal Revenue Code does in fact provide a relief for double taxation, and allows a set-off against income tax for any income taxes paid in a foreign country.

However, not all taxes paid in a foreign country are income taxes, as, for example, in the case of royalties to a foreign government in respect of minerals extracted. One difficulty in claiming a tax credit is therefore the need to show that an income tax has actually been paid in the foreign country.

Moreover, the income tax burden on company profits in some countries is much less than it is in the United States, and the distribution of profits by an overseas subsidiary to its US parent may therefore involve the parent in heavy additional taxation.

The tax credit under US law is limited in other ways, and companies therefore decide to leave their profits in the country in which they were earned. This is a loss to the US economy and support is growing for an amendment of the law. A justification for a change in policy may be seen in the example of IBM. This corporation is issuing a billion loan stock but difficulty has been experienced in finding investors because of the difficult economic situation in the US. The point is that IBM has, or did have in 1978, \$5 billion of undistributed profits in its foreign subsidiaries. If it could bring these profits back to the US without a tax penalty, the need for the loan stock would presumably not arise.

FASB Staff Appointments

Two members of the English Institute have been given appointments on the staff of the Financial Accounting Standards Board. Mr Bryan Carlsberg who joined the FASB technical staff in October, 1978 as an Academic Fellow, has now been appointed assistant director.

Mr Carlsberg will be working on

Restrictive Covenant

Income tax – Surtax – Restrictive covenant – Consideration for restrictive covenant – Future employment – Undertaking in connection with the employment – Undertaking restricting employee's conduct or activities – Barrister undertaking to cease practice to take up employment – Employer paying him lump sum as an inducement for undertaking to cease practice – Whether payment in respect of 'an undertaking ... the tenor or effect of which is to restrict him as to his conduct or activities' – Income and Corporation Taxes Act 1970, section 34.

The taxpayer was a barrister who had an extensive practice in the field of town planning law. In the course of his professional activities, the taxpayer had been engaged in a number of cases for W Ltd and in April 1972 that company approached him with an offer of employment carrying a salary of £15,000 per annum. As taking up the employment would have necessarily involved the taxpayer giving up his practice at the Bar, the company offered to pay him a sum of £40,000 as an inducement. The taxpayer decided to accept the offer and on May 23rd, 1972, entered into a deed with the company.

By that deed to which a service agreement was annexed, the company covenanted to pay the taxpayer the sum of £40,000 as an inducement to him to give up his status as a practising barrister with the consequent loss of his established position and prospects of further distinction arising from his practice at the Bar, and the taxpayer covenanted that 'he will cease to practise at the Bar in order to enter into the service agreement'. Immediately after the execution of the deed the company paid the sum of £40,000 to the taxpayer.

The taxpayer continued in practice at the Bar until July 31st, 1972, and then retired from practice. He joined the company in October 1972. The taxpayer was assessed to tax for the year 1972-73 in respect of the sum of £40,000 under section 34 of the Income and Corporation Taxes Act 1970 on the basis that the payment was one 'the tenor or effect of

which is to restrict him as to his conduct or activities'. The Special Commissioners upheld the assessment.

The taxpayer appealed, contending that, because he could not take up the employment without ceasing to practise, the covenant to cease practice was entirely otiose and mere surplusage; that the payment of £40,000 was, therefore, not in respect of the total or partial fulfilment of any undertaking within section 34, but in respect of the loss of status and loss of future professional advantage which were the inevitable concomitant of taking up the employment; and that, accordingly, section 34 did not apply.

Held: For the purposes of section 34 of the 1970 Act, an undertaking given by an individual in connection with the holding of an office or employment, the tenor or effect of which was to restrict him as to his conduct or activities, did not embrace the undertaking of the very duties which were inherent in and inseparable from the office or employment itself. Looking at the reality of the matter, the payment was an inducement to the taxpayer to accept the professional and social consequences which flowed from his taking up the proffered employment. In the circumstances the payment by the company was not one 'in respect of' a relevant undertaking, within section 34, by the taxpayer and accordingly did not fall to be taxed under that section. The appeal would therefore be allowed. (*Pritchard (Inspector of Taxes) v. Arundale* [1971] 3 All ER 1011 followed).

Vaughan-Neil v. CIR ([1979] 3 All ER 481, ChD).

Continuing Default

Default in compliance with the Finance Act 1972 and the VAT (General) Regulations 1975 made thereunder is not cured solely by the laying of an information before the justices, the Queen's Bench Division has decided.

The taxpayers in the present case were in default of their obligation to submit VAT returns, and an information to that effect was laid by the Commissioners of Customs and Excise on

March 9th, 1977. The information was heard on April 18th, when the justices convicted the taxpayers and imposed a penalty of £3 per day from the due date for submission of the return to the date of the information. The Commissioners appealed, contending that the failure to render a return had continued up to the date of the hearing, and that the taxpayers were liable to a further daily penalty accordingly.

Allowing the appeal, the Court held that there was no link between the information and the penalty. By the time the matter came to be heard by the justices, it would have been known to all concerned that the default had continued up to that date, or had ceased at a known earlier date, so that the penalty up to the date of the hearing could be assessed with precision. The case should be remitted to the justices for reconsideration of the penalty.

Grice v. Needs ([1979] 3 All ER 501).

Speeding PRT Collection

Under the provisions of the Oil Taxation Act 1975, petroleum revenue tax is assessed for successive chargeable periods, normally of six months and ending on June 30th and December 31st. A licensee must submit a return within six months after the end of a chargeable period. An interval of at least four months from the end of a chargeable period normally elapses before the PRT for the period becomes due for payment: thus PRT in respect of the chargeable period July 1st to December 31st, 1979, would normally be payable on May 1st, 1980.

The Government intends to speed up the flow of this revenue to the Exchequer, and to introduce a payment-on-account system for PRT. It is proposed that the licensee should calculate and make a payment on account of his PRT liability, at the time he submits his return for the chargeable period, within two months after the end of that chargeable period. The payment would be based on the gross revenues, valuations and royalties shown in the return, expenditure incurred (with appropriate 'uplift') but not so far allowing for tax, and allowances as provided by existing legislation.

Revenue Report

It is proposed to charge interest where payments on account are overdue or insufficient to meet the eventual tax liability, and to pay interest on refunds of payments of account. According to official sources, 'the usual interest rate for overdue tax is envisaged'.

These new arrangements are expected

to take effect for the chargeable period ending December 31st, 1979, and for subsequent chargeable periods. Apart from these changed collection arrangements, the existing methods of claiming relief and allowances, and making and agreeing assessments, will continue unchanged.

Tribunal Attacks *Laissez-faire* Attitude

Another VAT assessment has been thrown out by a Tribunal on grounds of a lax approach by Customs officers to their duties – as evidenced by the disregard of material information and the use of an unrepresentative sampling procedure.

The appellant had been the publican of 'an old rambling inn' for over 45 years and for over 30 years, had employed the same firm of chartered accountants to prepare his accounts. Originally the premises had comprised three bars, but, just before a Customs and Excise control visit, the appellant had opened a cocktail bar, which had proved to be very successful. In addition, on the advice of his accountants, the appellant had installed cash registers as a check on bar staff.

When the officers visited the pub, they examined the accounts for 1974 and 1976 and noted a gross profit in each year of 26.5 and 22.6 per cent respectively. In view of these figures, and after allegations by the appellant that he had lost as much as £6,000 through bar thefts over a four-year period, the officers concluded that there had been an under-declaration of tax. This view, they claimed, was confirmed by a gross profit of 24.19 per cent for 1975.

During a lengthy and detailed correspondence with the appellant's accountants, the Commissioners originally proposed to issue an assessment based on an 83 per cent mark-up, later reduced to 68 per cent to take account of 'imponderables'. The accountants asked for a review – which was refused – on the ground that the percentages were totally arbitrary and did not cover all the allowances to which the appellant was entitled. Secondly, the Commissioners had used gross purchase figures without taking into account bottle credits on returns and deposits.

Having studied the correspondence, and the detailed schedules of allowances prepared by the accountants in respect of breakages, off-sales, free drinks, pilferage, wastage and zero-rated sales, the Birmingham VAT Tribunal held unanimously that the assessment had not been made to the best of the Commissioners' judgment. Compared with the accountants' comprehensive schedules, the calculations of the Commissioners indicated a 'somewhat *laissez-faire*' attitude. They had not submitted detailed figures, but relied on a blanket overall deduction to the original assessment to cover all the allowances in dispute.

Further, the Tribunal expressed surprise that, instead of asking the appellant on their first visit why the gross profit was so low, the officers had entered into voluminous calculations and detailed correspondence. If the Customs officers had been straightway referred to the accountants – who were well versed in the appellant's business – the simultaneous attendance of both might have led to the resolution of the dispute on the spot.

The calculations of the Commissioners had been based on a sample quarter in 1977, extrapolated over the four-year period of the investigation. If a sampling technique is adopted, it is essential that the period selected should be fair and representative. In this case, due to the opening of the cocktail bar and resultant changes in the mixture of products sold, the period selected had not been fair and representative. Indeed, the officer concerned had admitted that he would take a longer period if he was repeating his calculations.

James Green (Trading as The Blacksmiths Arms) v. Customs and Excise (BIR/78/203, September 12th and 13th).

Disallowed Expenses

The cost of raising equity finance and the cost of raising loan finance should both be tax deductible, in the view of the consultative Committee of Accountancy Bodies. In their response to the Inland Revenue consultative paper 'Disallowed Business Expenses' [*The Accountant*, August 16th, 1979] the accountancy bodies welcome the proposals to allow taxation relief on the cost of raising business loan finance, but they point out that many of the problems identified arise as a result of the desire to deny relief to the cost of raising equity finance.

The accountants consider that relief should be related to the rules which allow interest on a loan, that it should include costs incurred before the commencement of trading and that it should be available in the year when incurred.

Copies of the full text of the CCAB memorandum are available free on request (sae) from the Publications Department, PO Box 433, Chartered Accountants Hall, Moorgate Place, London EC2P 2BJ, quoting reference TR 364.

PAYE ENQUIRIES

Staff of the Public Enquiry Room in the New Wing of Somerset House now provide help to employers and employees on a full range of PAYE matters in the same way as the PAYE enquiry offices in London and elsewhere. Personal callers are welcome at the Public Enquiry Room (use the Lancaster Place entrance to the New Wing of Somerset House, on the approach to Waterloo Bridge from the Strand). The telephone numbers are 01-438 6420/5.

Existing PAYE enquiry offices are not affected by this change. Enquiry offices serving Central London include Ebury House, 150 Victoria Street, SW1 (01-828 7432); Parkwood House, 33 Soho Square, W1 (01-734 7962); Norgeby House, 83 Baker Street, W1 (01-487 5011); Finsbury Square House, 33-37 Finsbury Square, EC2 (01-628 5080); and Lancaster House, Newington Causeway, SE1 (01-407 3111).

The addresses and telephone numbers of other PAYE enquiry offices are given in telephone directories under 'Inland Revenue'.

Heron Leasing think you've got better things to do with your money than buy cars.

By leasing cars, you can have that money working more profitably in the business.

Extra cash flows where you want it. (And you can have that cash right now if you sell us your existing fleet on our leaseback scheme.)

You enjoy substantial tax benefits, and significant accounting advantages: add up the virtues of fixed costs, eased budget planning and an extra credit line.

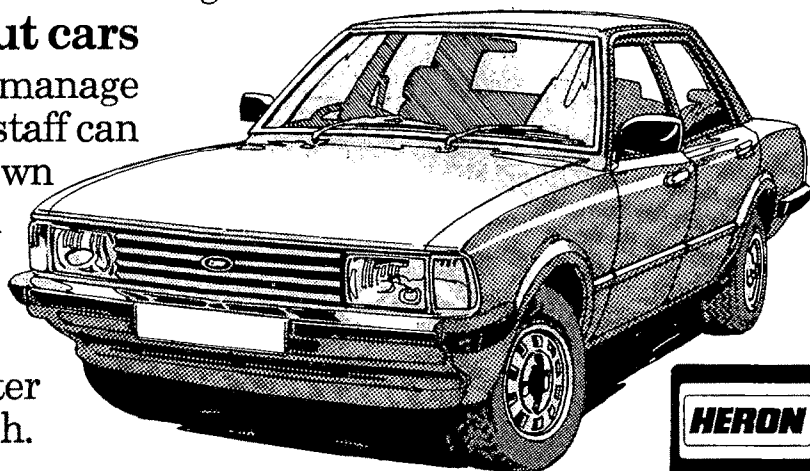
How to manage without cars

Simple. Let Heron manage your fleet – so you and your staff can get on with managing your own business, confident that Heron's hugely professional Fleet Management Plan is coping with the car burden. Under Heron's tight computer control fleet problems vanish.

Management time is liberated. There are major cost savings as well.

Leasing or Fleet Management, it would pay someone in your organisation to talk to Heron Leasing. Ring David Black on 01-903 4811. Or get your Secretary to clip this advertisement to your letterhead and send it to us.

Then sit back and watch the cash start flowing your way again.



Heron Leasing. It's like money in the bank

Heron Leasing Ltd, Freepost, Wembley, Middlesex HA9 8BR. Telex: 923630.

Valuers and Auctioneers of Industrial Property, Plant & Machinery



Knight Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

BRITISH ASSETS TRUST LTD.

A GROWTH-OF-INCOME TRUST

British Assets is an Investment Trust whose principal objective is to provide shareholders with rising dividends in real terms. Dividends are paid quarterly.

	30th Sept 1979	30th Sept 1978
Gross Revenue	£6.5m	£5.5m
Total Assets	£117.5m	£118.8m
Earnings per share	3.12p	2.46p
Dividend per share	3.10p	2.40p
Net Assets per share	100p	98p

FIVE YEARS GROWTH OF DIVIDEND 1974 - 1979

BRITISH ASSETS TRUST: Growth of Net Dividend	+153%
United Kingdom: Increase in Retail Price Index	+110%
United Kingdom: Growth of Corporate Dividends	+94%
United Kingdom: Growth of Investment Trust Dividends	+78%
United States: Growth of Corporate Dividends	+68%



Copies of the Report are available from:
Ivory & Sime Ltd., Investment Managers,
One Charlotte Square, Edinburgh EH2 4DZ.

The Wages of Sin

One of the assumptions made in financial markets immediately after the hoisting of Minimum Lending Rate to 17 per cent was that MLR would not stay at that rate for long. The disbelieving immediately harked back to June and 14 per cent MLR and the view then generally held that 14 per cent would not last long and that by the autumn interest rates would certainly be on the slide.

But now MLR is 17 per cent and is flanked by interest rate actions that run into February next year. That is when the new series of Savings Certificates come into operation so if MLR at 17 per cent is to be a matter of 'just a few weeks' is the February series of Savings Certificates likely to be withdrawn even before it goes on sale?

The Charterhouse Group's business survey suggests that in the words of economist Mr James Morrell that the rate of decline in UK interest rates depends on the severity and the effectiveness of the credit squeeze and the turn of events in the labour market. If wage settlements remain stubbornly high and production is disrupted by disputes the profit squeeze will be worse and interest rates will be held high until business cutbacks lead to lower demands for funds. If moderation prevails in pay settlements, the monetary pressures will be less and interest rates will come down faster and further.

Each way bet

That is no more than the truth but it is also a very fine each way forecasting bet. It does not indicate what will happen but merely suggests the repercussions to events. There is, however, a more pertinent indication of Mr Morrell's views in the suggestion that a return to wage controls is inescapable.

Mr Morrell in fact considers that 'an official incomes policy' by which he means official control of incomes is inevitable. There is, of course an official incomes policy now – it is that people choose for themselves whether they have modest wage increases and reasonable

employment prospects or high wage increases and high unemployment prospects. That is the official incomes policy.

But if Mr Morrell considers that the present official incomes policy of choice will come to grief to the extent that Government control of wage increases (a 4 per cent level is suggested) will be essential from the middle of next year can there be any basis for anticipating the early dismantling of the present higher interest structure?

The prospect of a wage crisis in mid 1980 hardly ties up with the prospect of falling interest rates. Mr Morrell considers 'it would seem imprudent to assume that pay increases will decelerate significantly in the next six months whilst the rate of Retail Price increase is running at around 17 per cent per annum or more.

Pips will squeak

The Morrell/Charterhouse expectation is for the disparity between the rate of money growth and the rates of pay increase to remain wide 'with inevitable dire consequences for weaker firms.' Past evidence shows that disparities of this kind 'are reflecting in a mounting credit squeeze where initially interest rates are forced up and firms are compelled to conserve liquidity through cutting back stock levels, reducing investment programmes and running down numbers employed.'

Ultimately, these economies result in a lower demand for credit and the money pressures ease. By that time Morrell/Charterhouse comment 'the weaker labour market will lead to a lower level of pay increase and a growing disparity in pay rises as between stronger and weaker industries and firms.'

But can an economy in recession withstand the pressures of such monetarism and can a Government applying the pressure withstand the counter political forces. That, as Morrell/Charterhouse point out, raises the question of whether

the avoidance of an official incomes policy is consistent with the pursuit of a tight money policy Britain is one of the few countries not to have some kind of official prices and incomes policy in harness with monetary policy.

Pay policy

'In any event' it is considered 'some kind of pay policy is inescapable for the public sector and as ministers are forced to grapple with the problem, the possibility arises that a broader national incomes policy will be resurrected. Indeed the problems arising from the divergence in money growth and pay growth may be so severe for industry against a background of world recession and weak export opportunities, that industry itself will bring pressure to bear on the Government for a change in policy.' The Morrell/Charterhouse argument is valid to the extent that the prospect exists of the Government, with its economic majority of the Public Sector stake in the economy, insisting that the minority Private Sector must carry the burden of monetarist policies.

The only result of that would be a still greater economic dominance by the Public Sector. Actions of Governments so often, in fact all too often, have the reverse effect to that intended that it is certainly not beyond the bounds of possibility that a Government supposedly in favour of the Private Sector will so order its monetarist policies that the Private Sector perishes while the Public Sector continues to inflate.

What happens to the level of interest rates then? Will a munificent Government reduce MLR to 15 per cent and insist that the private sector is better off?

Alternative Report

We have received a number of inquiries about 'The Alternative Investment Report', a new monthly magazine covering alternative investments such as coins, stamps, books and wine. It can be obtained from 12 Ripplevale Grove, London N1 1HU. Founder subscription rate (before December 15th, 1979) £90, thereafter £120 a year or £10 a copy.

Invisible Invisibles

'The Invisibles' have achieved the impossible and have disappeared. To be more precise, there is now a 'nil return' from invisible earnings in the monthly trade and payments figures. The change from a peak invisibles surplus of £2,800 million, as recently as 1976, to the 'nil' situation of the present was charted in the recent issue of *Barclays Bank Review*.

Even in 1978, the net invisibles surplus, which effectively meant the surplus of private sector invisible earnings over public sector or Government deficit, was £2,200 million and that was entirely the reason why the year showed an overall trade surplus of just over £1,000 million.

There are two principal reasons for the change to a 'nil' invisible earnings situation this year – one, the growth in Government spending, and the other, the impact of the foreign element in North Sea oil earnings.

Over the three years to the end of 1978, the British Government's deficit on invisible transactions with the rest of the world trebled to more than £2,900 million. Maintenance of a significant military presence overseas, and particularly in Germany, is costly. Last year, British forces in Germany alone cost the Government £540 million in invisibles terms.

No reduction in military spending

Sterling's weakness against the Deutschmark and increases in Service pay will inevitably keep the military costs rising. There is surely no prospect of any reduction in those costs, and any worthwhile reduction in the UK contribution to the EEC Budget is not apparently within the UK's power.

On the credit side the Government has benefited from interest receipts on its reserves of foreign exchange but, in turn, has found that its own overseas borrowings have become far more expensive to service. In 1978, overseas borrowings

cost £1,200 million in interest payments and the cost must be heavier this year.

The Government's overall invisible deficit depends crucially on the level of international interest rates and exchange rates as well as the actual level of Government spending. That spending is likely to remain substantial. This year it could top £3,000 million.

Private sector responsibility

That being so, the responsibility of achieving any surplus on invisible trade would seem to rest on the private sector's shoulders. It rests on the Government's shoulders to the extent that the Government should make some effort to reduce its spending, but that has never happened yet for any length of time.

Private invisible earnings cover profits, interest and dividends from overseas investments as well as earnings from services such as shipping, aviation, insurance and tourism.

Since 1976 international earnings have been affected by the relative strength of sterling and the enormous increase in North Sea oil profits taken out of the UK by foreign companies.

Profits on direct investment fell from more than £1,300 million in 1976 to £988 million in 1978 and will have been further eroded this year. Foreign investors in North Sea oil developments are expected to take more than £1,400 million of oil profits out of the UK this year compared with £550 million last year.

British dominance challenged

Traditional British dominance in the international shipping, aviation and insurance markets is still strong, and in 1978 the surplus on these services was a record £4,000 million. That kind of figure should be maintained even though British dominance in those areas is being challenged.

Tourism, however, is one private

sector invisible earnings component that is weakening. In 1977, tourism brought a net £1,200 million of surplus invisibles, but last year the surplus fell to £955 million and estimates put it at probably less than £600 million this year, as tourists have gone elsewhere and those that have come here have spent less.

The disappearance of the 'invisibles' surplus has not moved into deficit as yet and the monthly trade and payments figures are still stating invisibles as 'nil' but, in the short run, the unavoidable invisibles outflow – as a result of rising North Sea oil production and of rising Government spending overseas, coupled with still higher interest rates and stronger sterling – must undermine the worth of other private sector earnings.

There has not been a sustained UK visible trade surplus for over 150 years. Achievement of a payments surplus has always resulted from 'invisible' earnings. Present prospects must surely indicate that there must be concentration on invisible rather than visible earnings power if the present payments gap is to be narrowed.

US Outlook

Henderson Unit Trust Management Ltd have said that the slow-down in the US economy will have to be endured at least into early 1980 if dis-inflationary effects are to result. In these circumstances, the managers have said it is inevitable that corporate profitability will be adversely affected, and thus it is more than usually important to be invested in those sectors of the market where growth can be sustained despite recessionary pressures. For some time, Henderson's North American funds have been heavily weighted in the energy sector, where the need for import substitution presents increasingly urgent demand on producers, exploration companies, and ancillary service industries. This is thought to be a high level activity area of the economy.

The managers will look for cost saving companies, particularly in the technology area, as management focuses on efficiencies rather than volume sales. Health care continues to an area of secular growth, largely unrelated to normal economic cycles.

Financial Accountant

Henderson feel that consumer durables manufacturers, and many areas of the retailing industry, are best avoided at present, although the market will discount their upturn well in advance.

Henderson funds remain fairly fully invested, despite the recessionary outlook. In stock market conditions such as have obtained so far this year, smaller companies have tended to out-perform larger growth companies and Dow Jones stocks. Thus, Cabot American Smaller Companies Trust has recovered smartly, and has recently been advancing strongly. In contrast, Henderson North

American Trust, which was the best performing of all American trusts in 1978, and has its investments largely in major growth companies, has had a rather quieter experience. A major bull market cannot develop in the USA without the high quality marketable issues leading the way. Henderson feel, therefore, that investors have the choice between the higher risk, more lively smaller companies fund and the strongly based major growth investments of the mainstream fund. Naturally, a spread between the two can be weighted to suit individual requirements.

The introduction to 'Farm Finance in the EEC' states that 'the common guidelines for this modernisation of EEC agriculture have been enshrined in the Directives 159, 160, 161 and 268. They enable the detailed methods for giving aid in this modernisation process to vary from member state to member state and so make some allowance for their varied and particular economic, political and social backgrounds.'

It is, the writers consider, 'all too easy to forget these deep-seated differences in culture, institutions and attitudes when trying to make comparisons of rates of capital grant and of subsidised interest, of relative taxation burdens, land prices, and of special aids to young entrants.'

Although farmers are partners in the European Economic Community, they are also competitors with each other within the Common Market for the processors' and housewives' expenditure on farm productions. So there arise thoughts about fair competition and equitable treatment – 'the grass always looks greener on the other side of the hedge – but is it so on fact?'

'Farm Finance in the EEC' does not set out to answer that question one way or the other but seeks to set out the background to some of the policies and methods for farm finance which are current in the member states.' It is a précis of a highly involved and intricate subject which is constantly changing and in which the ingenuity of mankind can be seen at its most complex, in matters of rules and regulations for financial aids and taxation.

Going for a Burton

Another of the bastions of 'A' non-voting shares will fall in January when the non-voting shares in the Burton Group will be enfranchised with the existing voting ordinary shareholders receiving a '1 in 7' scrip issue as compensation.

The move means that the Burton family will yield control that has been exercised for fifty years. There are 32.72 million non-voting shares currently in issue and that 'dog' of the equity being wagged by the 'tail' of only 4.46 million voting shares.

Nearly three years ago it was stated

CAP It All

To judge by the amount of air time and press coverage given to the subject, the Common Agricultural Policy is the be all and the end all of the European Economic Community's economic system. It never ceases to amaze how farmers can grasp the intricacies of CAP let alone spare any time from grappling with it to do any farming.

Others get on with the intricacies

The answer probably is that farmers let others get on with the intricacies and lest any layman should consider that the intricacies are more imagined than real let him or her get a copy of 'Farm Finance in the EEC' produced jointly by Barclays Bank and The Centre for European Agricultural Studies at Wye College (University of London), where farm finance has always been one of the declared fields of work.

Mr Ian G. Reid, the Centre's Director and Mr Philip Bolam, Barclays Bank's agricultural representative open their introduction to the work by reminding the readers that the Treaty of Rome was signed 22 years ago; the Common Agricultural Policy has only been in full operation for 11 years and the United Kingdom has only been a member of the EEC for 6 years.

In terms of agricultural and social change two decades are a short period but during that time 8 to 10 million

people have left farming in the EEC and agricultural output has increased 30 per cent. Yields of crops and livestock has risen, attitudes of farmers have changed and the 'way of life' homestead is giving way to the 'means of livelihood' for business based on a cash economy.

None of those developments has yet run its course. The pace will change from time to time but EEC farmers are faced with a continuing need for increasing amounts of capital finance, the new technology, the restructuring of the farming industry and persistent monetary inflation.

The major part of that finance must ultimately come from within the farm businesses themselves and farmers will have to become good managers of money as well as of land, livestock and men.

Increased competition for available cash will arise from demands of the family for higher and comparable living conditions and those of the farm for the introduction of new technology or the purchase of more land.

No resolution of competing interests

Resolution of the combined problem of how to make a profit and how to keep it will become more difficult as 'prudent' price policies become effective and governments move further into farming in their search for untapped sources of tax revenue.

that the Burton family would yield control through enfranchisement of the 'A' shares 'at the appropriate time'. The Burton group was three years in a state of considerable weakness and reorganisation. It was clear that the original set up of the group with multiple tailoring shops feeding the suit manufacturing factories had outlived its use.

The manufacturing end had to be run down and much of the earlier diversification moves reversed. The process was painful but new management under Mr Cyril Spencer (essentially a retailer) has proved successful.

The 'appropriate time' has come with past year turnover at £165.2 million yielding pre-tax profits of £17.46 million. From fully diluted earnings of 39.34p a share against 17.58p dividend is raised from 4.5p to 10p.

Chain reaction

Mr Ladislav Rice, non-executive Chairman, to be succeeded by Mr Spencer as executive chairman on January 1st 1980 comments 'Burton has regained the market leadership with scope for further growth through the opening of larger shops and through updating of the rest of the chain.'

Stock market forecasts of the likely Burton Group 1978-79 erred on the side of caution. Earlier expectations of profits in the £16 million region had been pared back to £15.5 million. There were also bearish forecasts of current year trading.

But the profits announced 'at the appropriate time' proved impressive background to the 'A' share capital enfranchisement. Which will be the next non-voting share capital to fall? There are few left.

Sector Borrowing Requirement of less than £3 billion before policy changes and about £2 billion after them is considered another encouraging factor.

There are many other current uncertainties – the abolition of exchange controls, overseas interest rates and the situation in Iran – but they do not alter Mr Pepper's main conclusion 'that classic conditions will exist for a bull market (in gilts) in 1980.

Mr Pepper insists that the bull market began on the afternoon of Thursday November 15th.

Fees Instead of Commission

At a time when life assurance brokers are pressing for higher rates of commission from life offices, it is significant that The London Life Association Ltd, which has not paid any commission to intermediaries since 1841, has had its business heavily boosted by new pension scheme premiums, including arrangements for voluntary 'topping-up' contributions from employees in self-administered pension schemes. Much of this business has been introduced by brokers and pension consultants. They receive fees for their advice, and thus have been recommending the London Life's contracts to their clients solely on their merits, free from any question of commission.

In some quarters, there is a growing feeling that intermediaries in the life assurance and pensions field should charge fees, instead of receive commission, so as to be seen by their clients to be entirely independent of the office with which they place business.

A Question of Size

Everything is relative and 'small' to the Rothschilds can be relatively big to most other people. That may explain the size of the companies which appear in the portfolio of the New Court Smaller Companies Fund – 'a specialised unit trust for the United Kingdom resident who recognises the attractions of investment in a portfolio of companies'. The trust is managed by Rothschild Asset Management a company wholly owned by N. M. Rothschild & Sons.

Gilt on the Gingerbread

To some monetarists, of course, Minimum Lending Rate at 17 per cent and the attendant developments are unalloyed joy. The redoubtable Mr Gordon Pepper of stockbrokers W. Greenwell & Co was in buoyant form when he addressed a recent seminar on the Economic and Investment Outlook for 1980 organised by The Society of Investment Analysts.

Like most monetarist forecasters of the gilt edged market Mr Pepper did not expect MLR to go beyond 14 per cent and expected interest rates to be coming down well before the end of 1979. Instead MLR has gone up to 17 per cent and the interest rates have soared rather than slumped.

Not that being wrong worries the monetarists to any degree since they stand by their forecasts even if they admit to getting the timing wrong. But there were some extremely special factors at work.

October bank figures which were expected to show sluggish growth showed in fact entirely the reverse and showed an alarming expansion. But even so the authorities opened 'the euro-sterling loop-hole in the corset.'

The gilt edged market Mr Pepper complains had anticipated a reversal of monetary forces earlier and that suggested the market might look even further ahead than three months at the turning point. But buyers ran out of funds.

Future Bull Market

For four reasons there has been a continued rise in the public sector's demand for finance. First the Labour government backslid on the IMF measures and on the way up to the general election necessary but unpopular action went by default.

Decisions to curtail the growth in public spending take at least six months to take effect so the inherited trend has continued under the new government.

The June Budget switch from direct to indirect taxation delayed the receipt of revenue by about two months. Strikes and other industrial action delayed the collection of VAT and phone bills.

But that situation is expected to improve dramatically for the next six months and, in comparison with the recent past, significantly thereafter.

The implied forecast on a public

For the Rothschilds, companies such as Austin Reed, Ladbroke Group, Dixons Photographic, Bernard Sunley Investment Trust, Rockware Group, Readicut International, Tricentrol, Ultimar and Coalite Group are rated 'smaller' – which of course is true. They are smaller than some of the industrial giants but it is doubtful whether the

'man in the street' investor would rate such companies in the 'smaller' category.

Probably the most surprising inclusions in the Rothschilds list of smaller companies are The Royal Bank of Scotland and National & Commercial Banking Group. Those august institutions at least know where they stand in the Rothschild size scale – 'smaller'.

Weakening Health

Stockbrokers Hoare Govett, taking the pulse of the corporate sector to test its financial health, certainly detect a weakening. Their July forecast of a 1979 expansion of 19 per cent in total corporate profits included only an extremely modest rise of 5.5 per cent in industrial earnings. Since then sterling has eased and exchange controls have been abolished.

Those moves, however, will only affect liquidity to the extent of the now higher proportion of overseas profits remitted to the UK. Against that, the engineers pay dispute has had a severe impact on profitability, as witnessed by Tube Investments, £20 million estimate of lost profits.

Hoare Govett's forecast of total profits has not therefore changed a great deal but there has obviously been a deterioration in the balance between the UK and overseas contributions. Moreover it is stressed that reported profits include stock appreciation so that even the modest improvement in historic cost terms quickly evaporates into a decline when profits are restated on a current cost basis.

Second quarter figures for corporate profits (gross trading profits net of stock appreciation) showed a strong recovery after the depressed first three months. For the first half of the year profits were 11 per cent ahead of the first half of 1978 but the figures included a rapidly rising North Sea oil contribution so that the picture for a typical industrial company 'is much more subdued'.

Hoare Govett comment on the Bank of England survey and its stress of three factors – dull demand level in the UK and abroad, considerably worsening cost

pressures and the weakest degree of UK trading competitiveness in the last ten years. The brokers consider that perhaps insufficient attention was paid by the Bank of England to the abolition of the Price Commission and the awareness by management of the need to preserve profit margins. Certainly ahead of the last recession the corporate sector was suffering from tightening of price control legislation. Furthermore sterling's strength has reduced costs of imported raw materials.

Because of those points and the continued high level of economic activity in the third quarter Hoare Govett 'are probably slightly more optimistic than the Bank for the current year'.

The brokers conclude 'If the economy progresses in the direction anticipated by both the Bank's and Hoare Govett's economists, then the outlook for corporate profits in 1980 looks discouraging, notwithstanding the recovery element assuming normal winter weather and the elimination of costly industrial disputes. The Budget VAT increases, which have influenced inflation expectations, the recent engineers settlement and the rather confused Government advice to the nationalised industries (relating unit labour costs to the RPI) all point to wage settlements remaining obstinately high in the next few months.

'There is already evidence, however, that firms are reacting to the pressure on profits by attempting to reduce their costs by shedding labour and ultimately the level of wage settlements should moderate. Capital spending plans will no doubt also be cut back, stocks run down and the recent rapid growth of dividend payments will decelerate.'

Inevitably there are comparisons with the onset of the previous oil price induced recession. Overall liquidity is similar to last time although balance sheet gearing is lower. The corporate sector's financial deficit is estimated at £6.25 billion this year and £7 billion next. But on balance the corporate sector is considered in better shape than ahead of the last major recession and Hoare Govett join the ranks of those who while remaining highly cautious of the short term performance of the UK equity market consider that fears of a repeat of the 1974 collapse have been exaggerated.

Trust and Fear Not

Merchant bankers S. G. Warburg & Co has joined the market move towards open ended international investment trusts. Warburg's have offered participating redeemable preference shares at £10 each in Selected Market Trust.

The Fund has similar open-ended characteristics to a unit trust in that it can issue and redeem its participating shares at prices based on net asset value. Dealings have begun in the shares and future subscriptions and redemptions of participating shares will be made monthly at prices based on the net asset value of the Fund.

The aim, naturally, is to provide a convenient means for investors to diversify portfolios into overseas markets without involving themselves in the complexities of overseas investment and currency management. In other words the Trust is another investment vehicle designed to carry investors through the minefields laid by investment 'freedom' followed the abolition of exchange controls.

Already Warburg Investment Management has over £1,800 million of funds under management and is adviser to other similar funds specialising in European and North American securities. Investment 'will be selected in the light of assessments of changing market prospect and currency considerations. The aim will be to achieve maximum capital appreciation consistent with security, rather than high income yields but the board will follow a policy of full distribution of income.

Mission Impossible

There is little prospect that the City's economic forecasting industry will follow the Treasury's lead and admit that the whole thing is impossible. Not that the Treasury admitted it to that extent, but what forecasts there were in the recent non-forecasting operation were hemmed in by so many qualifications that it seemed the Treasury was merely complying with the Act, rather than making an effort.

That has brought down a certain amount of criticism upon the collective Treasury head but there is something to be said for being a 'don't know' when it is in fact virtually impossible to be anything else.

To forecast 1983 on the basis of present policies can hardly be expected to carry a clarion ring of truth, since policies must surely be shaped to and by events. Another outburst of OPEC oil prices, or, in fact, the reverse or indeed some Middle East upheaval, which cannot be ruled out of any reckoning, would surely affect present policies.

Inevitable Reaction

Mortgages at 15 per cent without the option of elongating the borrowing term were the next thing to inevitability once the Government flanked 17 per cent MLR with National Savings largesse in terms of a 15 per cent Special Investment Account interest rate and a new Savings Certificate.

To match the Government terms the building societies had to lift their rates and after some years of toeing Government lines and being pushed about by various Chancellors of the Exchequer, not to say Prime Ministers, the societies have become free agents.

They would naturally prefer to have become free agents under less unkind conditions. But the present pitch of building society interest rates does at least mark the end of Government interference.

Mrs Thatcher's ill-advised warnings to the building societies when her Chancellor of the Exchequer raised MLR

to 14 per cent will live with her for a considerable time.

Now the debate turns to the likely duration of the 17 per cent MLR level and consequently of the 15 per cent mortgage rate.

There would be more faith placed in the views that MLR at 17 per cent will not last for long were there more faith in the Government's intentions on the PSBR. The prospect seems to be that it is going to be allowed to rise and, that being so, the Government will need to sell still more gilts despite the current 'oversell'.

Correction of the economic body by the corporal punishment of interest rates is not conducive to interest rate reduc-

tion if the economic body refuses to be corrected. Particularly so if the refusal comes not from the private sector of the economy but from the public.

If the public sector remains uncorrected — which means if public expenditure goes on rising as the domestic product goes on falling — then the private sector will take the hiding of high interest rates so that the Government can sell the gilts to stave off the day of its borrowing redemption.

There is, of course, a hopeful theory that the virtuous circle of 1977 can be repeated but under present conditions that seems unlikely. Predictions already being made of a deflationary Budget in the Spring are not encouraging.

Rates and Prices

Closing prices, Monday, November 26th, 1979

Bank of England Minimum Lending Rate				Money Rates							
May 12, 1978 .. 9 %	Mar 1, 1979 .. 13%	Day to day .. 14½-16 %	Bank Bills								
June 8, 1978 .. 10 %	April 5, 1979 .. 12%	7 days .. 15½-16½%	2 months	16½-16½%							
Nov 9, 1978 .. 12½ %	June 12, 1979 .. 14%	Trade Bills	3 months	16½-16½%							
Feb 8, 1979 .. 14 %	Nov 15, 1979 .. 17%	1 month .. 17½ %	4 months	16½-16½%							
Finance House Base Rate		2 months .. 17½ %	6 months	15½-15½%							
November 1st, 1979, 14½ %		3 months .. 17½ %									
Certificates of Tax Deposit		Three Months' Rates									
November 26th, 1979:		Local authority deposits	16½-17 %								
interest on payment of tax 16½ % + 0 % per annum		Local authority bonds	17½-17 %								
withdrawn for cash 13 %		Sterling deposit certificates	17 -16½ %								
FT Industrial Ordinary Index		Euro-sterling deposits	17 -17½ %								
November 19th, 1979, 405.8 (3 pm)		Euro-dollar deposits	14½-14½ %								
		Inter-bank rate	16½-17 %								
Treasury Bills				Foreign Exchanges							
Sept 21 .. £13.4131 %	Oct 26 .. £13.4713 %	New York .. 2.1610	Frankfurt .. 3.7800								
Sept 28 .. £13.3638 %	Nov 2 .. £13.4868 %	Montreal .. 2.5295	Milan .. 1776.50								
Oct 5 .. £13.3244 %	Nov 9 .. £14.7581 %	Amsterdam .. 4.2300	Oslo .. 10.1795								
Oct 12 .. £13.3615 %	Nov 16 .. £16.1843 %	Brussels .. 61.6000	Paris .. 8.8700								
Oct 19 .. £13.3646 %	Nov 23 .. £16.1237 %	Copenhagen .. 11.1850	Zürich .. 3.5700								
Gilt-edged											
Consols 4 %	30½	Treasury 13½ % 1997	94½								
Consols 2½ %	21½	Treasury 9½ % 1999	74								
Conversion 3½ %	34	Treasury 9 % 1994	69½								
Funding 3½ % 99-04	35½	Treasury 8½ % 84-86	82½								
Funding 5½ % 78-80	95½	Treasury 8½ % 87-90	70								
Funding 5½ % 82-84	77	Treasury 3½ % 77-80	95½								
Funding 5½ % 87-91	60½	Treasury 3½ % 79-81	91								
Funding 6 % 1993	57½	Treasury 5 % 86-89	60								
Funding 6½ % 85-87	71½	Treasury 5½ % 08-12	44½								
Treasury 13 % 1990	94½	Treasury 2½ %	19								
Treasury 12½ % 1993	91½	War Loan 3½ %	28								
Retail Price Index (Jan 1974=100)											
Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973 89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974 100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975 119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976 147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977 172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978 189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979 207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2	235.6		
Tax and Price Index (Jan 1978 = 100)											
Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978 100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979 106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2	117.6		

Letters to the Editor

Professional Independence

SIR, — I would refer you to recent circulars on professional conduct, and in particular professional independence. Like many of the statements issued by the various bodies in recent years, it seems to me that the recommendations and procedures laid down are based on large firms of auditors and public company clients. No importance, it seems, attaches to small firms of accountants — either sole principals like myself, or two- or three-partner firms.

To say that it is undesirable for a practice to derive too great a part of its professional income from one client or a group of clients is virtually asking a number of small practices to cut off their income considerably. Small practices are already desperately short of staff, and cannot offer the same opportunities to graduates as the larger firms do. If their income is to be cut by the 'undesirability' of deriving too great a part of their income from one group of clients, their position would be even worse.

It is also said that personal relationships can affect objectivity and that there is a need therefore to ensure that an objective approach is not endangered in consequence. I would like to meet a practising accountant (apart from the large firms) who has not built up his practice on personal relationships.

The emphasis on recruitment via graduates caused problems for smaller firms, yet very little is being done to overcome them. There are many hundreds of thousands of small traders and small companies who cannot afford the fees charged by large accountancy practices, who cannot possibly communicate at that level, who need a personal relationship with their

accountants; a relationship which they could certainly not obtain from the large firms to whom the professional conduct standards surely relate.

Is it not an appropriate time to consider setting up a committee approved by all CCAB bodies to consult with and look after the interest of the smaller firms?

Yours faithfully

ALAN LEWIS, FCCA, FTII.

London W1

A Threat or an Ally?

SIR, — I think that accountants in practice need to be made aware that the 'in depth' inquiries of the Inland Revenue and consideration of ED24 should not wholly occupy their thoughts at this time. The future extension of banks' computerised services, I feel, poses a more important question. The mere addition of a reference code on cheques and paying-in slips will enable banks to provide a sole trader's business with a complete analysis of all entries on his account at any time. The further provision by the customer at the year end of such items as stock valuation, accruals, prepayments and depreciation will enable the bank to go a further stage and produce draft final accounts.

An accompanying 'ED24 statement' could also soon be programmed, although it would seldom be required for such businesses.

Rather than having more complicated calculations to perform, many accounting practices may find their work falling off — unless, of course, they adopted a new role of financial adviser rather than that of a mere book-keeper. I trust that the accountancy bodies have the study of such a situation high on the agenda.

Yours faithfully,

JOHN N. F. HUDSON, ACIS, ATII

Reading, Berks.

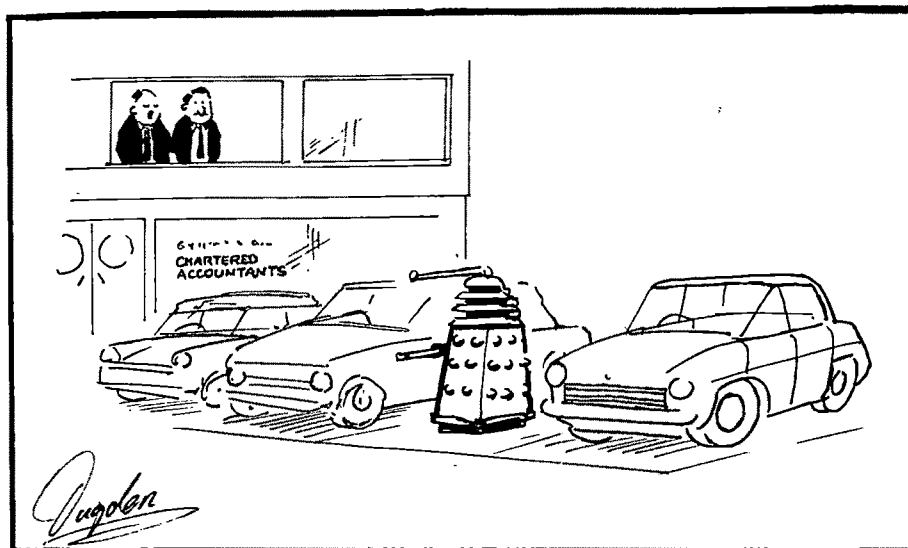
London Weighting

London, according to a new survey, commands an average differential of £1,000 over the provinces in accountants' salaries. A total of 587 job titles were monitored over a four-week period, revealing average salaries ranging from £5,692 pa for cost accountants to £8,625 pa for chief accountants.

The survey is produced by Markintell Manpower Research Studies, Old Court House, Old Court Place, London W8.

Fifty Years Ago

'Amalgamation will be the tendency of the day, and the smaller offices will gradually be absorbed.' — From 'The Future of the Accountancy Profession', by the late E. E. Spicer, FCA, in *The Accountant* of June 1st, 1929.



'It belongs to one of our clients. He won't allow anyone to forget that he's a film extra.'

Statistics

Queueing Theory

by **STANLEY LETCHFORD, BSc, FIMA**
Director of Studies, Metropolitan College

The standard textbook treatment of this subject is often unconvincing to the non-mathematician. This article attempts to fill the gap.

From the non-mathematical student's point of view, queueing theory is probably the most difficult topic in the whole of management mathematics. The best that most students can do is to learn a list of formulae and try to apply them adeptly to whatever numerical data is supplied. But no self-respecting professional man is content to know 'what'; he also wants to know 'why'.

Without a knowledge of some fairly abstruse mathematics, it is impossible to understand fully how the queueing formulae are derived; suffice it to say that it can't be done without knowing how to solve differential equations – a topic which, though included in A-level syllabuses, is still far from general knowledge. However, the examiners have decreed that the subject should be in the syllabus and others have to make the best of it.

That is what I propose to do in this article. Without entering into a rigorous mathematical justification of queueing theory, I shall try to explain the basic concepts in simple terms so that the student can at least see what is going on.

Traffic lights

Assume a traffic light at some crossroads, which changes at regular intervals of one minute. When it is green traffic can pass at a constant rate of $2s$, = 20/minute (when s is the rate at which traffic passes, averaged over the red and green phases). At the same time, cars arrive at a constant rate of k , = 10/minute.

A queue develops when there is a vehicle stationary at the red light; clearly, when the light is green there will be no queue, because all the traffic arriving during that minute will be moving and, indeed, will get past the light provided there is no queue initially. However, when the light changes, a queue builds up to a maximum of 10. When the light changes again, these 10 pass the crossing in 30 seconds.

The interval between arrivals is $60/10 = 6$ seconds and if a car arrives exactly at the mid-point of each interval of 6 seconds then 10 more cars will arrive during the minute, and pass in the remaining 30 seconds before the lights change again. These cars will not have to wait. Once the light changes to red, a queue of 10 again builds up, and so on. So out of every 20 cars ($10 + 10$) arriving at the light, 10 queue and 10 do

not and the probability that a car chosen at random queues is $\frac{1}{2}$.

Two features of this queueing situation are of theoretical interest. First, provided the number of cars initially queueing is not greater than 10, then the maximum queue length, which will always form when the light is red, is 10, and the probability that a car has to wait will be $\frac{1}{2}$. But if the number of cars queueing is initially greater than 10, then the maximum queue length will be equal to that number.

For example, if there are initially 11 cars waiting for the light to change, then these, together with the first 9 arriving while the light is green will pass over, and one will stop when the light changes to red. In the ensuing minute 10 more cars arrive, making the maximum queue length 11 and the probability that a car will have to wait will be $11/20$. In the first case, the probability of waiting is independent of the initial state, in the second it is not.

If the behaviour of a queue is not influenced by any previous state, it is said to be in a 'steady state' – an important concept of queueing theory, as will appear in the sequel.

The second feature of interest is that if k (the arrival rate) is greater than s (the average service rate), then the queue tends to grow without limit. For example, if $2s = 20/\text{minute}$ as before, and $k = 15/\text{minute}$ and there is no car at rest initially, then when the light turns red a queue of 15 forms. It takes 45 seconds for these to pass, so that during the green phase 4 of the 15 cars arriving also pass, and there is a queue of 11 at the red phase, which is joined by 15 more during the subsequent minute. Obviously this is an explosive situation, the existence of which is indicated by the ratio k/s , called the measure of traffic intensity. A queue grows without limit if k/s is greater than 1.

Continuous servicing

The traffic control system is not typical of queueing situations because traffic is only 'serviced' when the light is green. In most servicing systems, servicing is continuous so that the interval is negligible between the completion of one service and the start of the next (assuming that someone is waiting for servicing).

A homely example is the checkout in a self-service shop. If the time taken to service a customer is constant, and the intervals between arrivals at the desk are also constant, there will be either no queue or else a queue which increases without

Student Roundabout

limit — provided that no-one, deterred by the length of the queue, turns away. In practice, queues are not like that, the main reason being that service times and inter-arrival times are not constant but vary in a fairly random manner. (This fact has, of course, interesting consequences for the traffic control system which will not be discussed here.)

The essence of elementary queueing theory is the assumptions which are made about the way in which these random times are distributed. Commonsense tells us that some ranges of times are less or more probable than others. For example, it is unlikely that any customer will take 30 minutes to pay for his purchases when the clerk 'normally' takes only one minute; and it is quite likely that the interval between two arrivals at the pay desk will be less than 2 minutes when the average number of customers is 30/hour. In fact, both service times and inter-arrival times each have their own probability distribution which shows (if one is lucky!) the exact probability that these times lie within a given interval.

It is indeed very fortunate if these distributions can be encapsulated in a neat mathematical formula; more often this is not possible and the two distributions must be obtained by detailed empirical studies of the actual behaviour of the servicing system. The simplifying assumption will be made that mathematical formulae do describe the situation adequately.

Basic distributions

The number of arrivals and the number serviced in unit time are, in the simplest servicing system, governed by the same type of probability distribution (the Poisson distribution) which depends only on k (in the case of arrivals) or s (in the case of departures). Both k and s can be estimated from past records and no detailed knowledge is needed about the actual ways in which arrivals and departures occur in time. These can be deduced from the mathematical properties of the Poisson distribution without recourse to experience, once k and s are known.

Fixing attention first on arrivals, if the number of arrivals in unit time is $n = 0, 1, 2$, etc and the arrival rate is k , then the probability of n arrivals in unit time is given by the Poisson formula

$$P(n) = \frac{k^n e^{-k}}{n!}$$

where e is the number 2.718 (approximately) which was introduced in a previous article¹, and $n!$ represents the product of the n consecutive whole numbers from 1 to n . For example, if $n = 4$, then $n! = 4 \times 3 \times 2 \times 1 = 24$. A peculiar property of the number $n!$ is that (when $n = 0$) $0! = 1$ which seems to contradict the definition of $n!$. However, $n!$ gives the number of different orders in which n different things can be arranged and so $0!$ gives the number of orders in which nothing can be arranged, namely $0! = 1$. This bit of information is vital when evaluating the formula for $P(n)$.

Suppose, for example, that $k = 3/\text{minute}$. Then the probability of no arrivals in one minute ($n = 0$) is

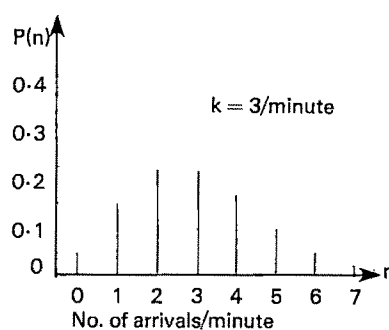
$$P(0) = \frac{3^0 e^{-3}}{0!} = \frac{1 \times 0.05}{1} = 0.05 \quad (3^0 = 1, 2.718^{-3} = 0.05 \text{ (very nearly) and } 0! = 1).$$


Figure 1

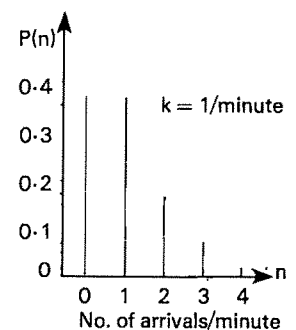


Figure 2

Figure 1 shows the probabilities of 0, 1, 2 etc, arrivals per minute when $k = 3/\text{minute}$ (for example, in a period of 100 minutes, 5 one minute intervals can be expected to contain no arrivals, 15 can be expected to contain one arrival, and so on.) In the Poisson formula there is no value of n , however great, for which $P(n) = 0$, but this is only a theoretical possibility since physical conditions make it impossible for the number of arrivals in a given time interval to exceed a certain limit.

However, it will be seen from Figure 1 that the theoretical probabilities also become very small when n exceeds 7. The most probable number of arrivals in a randomly selected minute interval is 2 or 3 (which corresponds to the mean arrival rate k). Figure 2 shows the probability distribution of arrivals when k has the smaller value $1/\text{minute}$. In this case the limit above which the probabilities become very small is much lower; in fact, if k is reduced still further, the only probabilities which have any significance are $P(0)$ and $P(1)$.

If k is the number of arrivals per minute and Δt is a small fraction of a minute, then the product $k\Delta t$ is the average number of arrivals in the small interval Δt . Hence the probability of n arrivals in the interval Δt (replacing k by $k\Delta t$ in the Poisson formula) is:

$$P(n) = \frac{(k\Delta t)^n e^{-k\Delta t}}{n!}$$

If the interval Δt is small enough, then Figure 2 shows that $k\Delta t$ is so small that the only significant probabilities are $P(0)$ and $P(1)$. But:

$$P(1) = \frac{(k\Delta t)^1 e^{-k\Delta t}}{1!}$$

and this is approximately equal to $k\Delta t$ when Δt is small enough. In other words, the probability of just one arrival in a short interval, Δt , is $k\Delta t$; and, of course, the probability of no arrivals in that interval is $1 - k\Delta t$.

A similar result is easily deduced for the probability of just one item being serviced in Δt . Thus if the service rate is s , then the average number of items serviced in Δt is $s\Delta t$, so that the probability that 1 item is serviced in this interval is:

$$P(1) = \frac{(s\Delta t)^1 e^{-s\Delta t}}{1!} = s\Delta t \text{ (approximately)}$$

And the probability that no service is completed in the interval is $1 - s\Delta t$.

We now use these results to answer the questions what is the probability that a customer has to wait; what is the average queue length; and what is the average time a customer must

¹ See *Student Accountant*, December 1978, pp 8 and 10.

Student Roundabout

wait? The answers to these questions lead to well-known formulae of queueing theory.

It will be assumed that the servicing system consists of a single service point (say a pay desk) at which one queue only can form; that is, the system has a single service channel. Suppose that there are n persons in the system, consisting of 1 person being serviced and $n - 1$ waiting in a queue. We denote by $P(n, t)$ the probability that there are n persons in the system at time t .

Probability of waiting

Now, if the system is in a steady state the probability that there are n persons in it at time t will be unaffected by any previous state of the system (compare with the traffic light illustration). So $P(n, t)$ will have the same value for all values of t — that is, at all times. The probability that no-one is in the system at a given time is $P(0, t)$ and if someone now arrives he will clearly not have to wait for servicing. So the probability that someone does have to wait is $1 - P(0, t)$.

In order to find $P(0, t)$, which is obviously crucial to answering the first question above, we argue as follows. Consider a short interval of time from t to $t + \Delta t$ and suppose that there are no customers in the system at the latter time. This situation could arise in two mutually exclusive ways:

- (1) There is no one in the system at time t and no one arrives in the interval, the probability of which is $P(0, t)(1 - k\Delta t)$.
- (2) There is one person in the system at time t who completes servicing in the interval Δt and there are no arrivals in the interval, the probability of which is $P(1, t)(1 - k\Delta t)(s\Delta t)$.

Since these events are mutually exclusive, it follows that the probability that there is no one in the system at $t + \Delta t$ is simply the sum of these two probabilities; that is $P(0, t + \Delta t) = P(0, t)(1 - k\Delta t) + P(1, t)(1 - k\Delta t)(s\Delta t)$.

Rearrange the terms and dividing by Δt we get:

$$\frac{P(0, t + \Delta t) - P(0, t)}{\Delta t} = -kP(0, t) + sP(1, t) - ks\Delta tP(1, t)$$

If, as assumed, the system is in a steady state, then the probability that there is no one in the system ($n = 0$) is the same at all times, in particular at times t and $t + \Delta t$. So $P(0, t + \Delta t) - P(0, t)$, and the left-hand side of the above equation is zero. Also the term $ks\Delta tP(1, t)$ on the right-hand side of the equation contains Δt which, if small enough, will reduce this term to negligible magnitude. Hence the solution of the above equation when Δt is

very small is $P(1, t) = \frac{k}{s}P(0, t)$; or, putting $k/s = r$, $P(1, t) = rP(0, t)$ where r is identifiable as the traffic intensity. So the probability that there is one person in the system at time t depends solely on the traffic intensity (which is constant) and the probability that the system is idle at time t which, we shall see, also depends on the traffic intensity. By a similar argument it can be shown that $P(2, t) = rP(1, t) = r^2P(0, t)$; and in general, that $P(n, t) = rP(n - 1, t) = r^nP(0, t)$.

The answer to the first question: (what is the probability that an arrival has to wait?) depends on the fact that at time t the

number of customers in the system must be 0 or 1 or 2 etc. So $P(0, t) + P(1, t) + P(2, t) + \dots$ etc $= 1$. In other words $P(0, t)(1 + r + r^2 + \dots) = 1$.

The terms in r in brackets form an infinite geometric progression which students of discounted cash flow will know has the sum $1/(1 - r)$ provided that r is a fraction less than 1. In terms of queueing theory, this is the sum of the progression provided that the traffic intensity is less than 1; that is, provided a queue does not continue to grow in length indefinitely, leading to an explosive situation.

$$\text{So, } P(0, t) \times \frac{1}{1 - r} = 1 \text{ or } P(0, t) = 1 - r.$$

This is the probability that at any time there is no-one in the system, that is no-one being served or in a queue. It is therefore the probability that the system is idle. If the system is not idle, then an arrival will have to wait for servicing, and the probability of this is clearly $1 - P(0, t) = 1 - (1 - r) = r$.

The probability that an arrival has to wait is equal to the traffic intensity.

It seems reasonable that the probability of waiting should somehow depend on the traffic intensity, but it is not a matter of common sense that it should be equal to r . Indeed, if other assumptions are made about the distributions of arrivals and departures, this result would not necessarily be obtained — which shows that, in order to understand elementary queueing formulae, it is necessary to rely on mathematical derivation rather than on intuition.

Queue length

Since the probability at any time that the number in the system is n is:

$$P(n, t) = r^n P(0, t)$$

and since $P(0, t) = 1 - r$, then

$$P(n, t) = (1 - r)r^n \quad (n = 0, 1, 2, \dots)$$

This is the probability that there are n customers in the system at any time t .

From this it is straightforward to deduce the average or expected number of customers in the system at any time, that is:

Expected number in system, $E(n)$

$$= 0 \times P(0, t) + 1 \times P(1, t) + 2 \times P(2, t) + \dots \text{ etc.}$$

$$= (1 - r)(0 \times 1 + 1 \times r + 2 \times r^2 + \dots)$$

Multiplying both sides of this equation by r gives

$$rE(n) = (1 - r)(\dots 1 \times r^2 + 2 \times r^3 + \dots)$$

and, subtracting the second equation from the first,

$$(1 - r)E(n) = (1 - r)(r + r^2 + r^3 + \dots)$$

So

$$E(n) = r(1 + r + r^2 + \dots) = r/(1 - r)$$

This is the average or expected number of customers in the system. For example, if the traffic intensity is $4/5$, then the average number of customers in the system is:

$$\frac{4/5}{1 - 4/5} = 4$$

This means that if a random check were made on the numbers in the system on several occasions the average of the numbers observed should work out at about 4. However, it

Student Roundabout

does not follow that the average number in the queue is 3 and the average number being serviced is 1.

In order to find the average queue length, the expected number being serviced, namely $1 \times r$, must be deducted from the expected number in the system. That is, expected number in the queue:

$$= \frac{r}{1-r} - r = r^2/(1-r)$$

which is, of course, less than the number in the system by a factor r . For example, when $r = 4/5$, the average number of customers in the queue is $\frac{4}{5} \times 4 = 3.2$, while the average number of persons being serviced is 0.8 (Obviously, this cannot be greater than 1 in a single service channel).

Waiting time

The waiting time associated with a service system is the length of time elapsing between a customer's joining the queue and the instant at which servicing commences. It is therefore the length of time a customer spends in the queue. Now an average

service rate of 2/minute (say) is equivalent to an average service time of $\frac{1}{2}$ minute per customer.

We have seen that when $r = 4/5$ the average number of customers being serviced is 0.8 and the average number in the queue is 3.2. Hence the average time which it takes to service these four individuals is:

$$\frac{1}{2} \times 0.8 + \frac{1}{2} \times 3.2 = 2 \text{ minutes}$$

An arrival joining the queue when it is in its average state will therefore have to wait this length of time before he receives service, and so this is the average waiting time per customer.

Substituting the letters corresponding to the numbers used in this example, the general formula for average waiting time is:

$$\frac{1}{s} \times r + \frac{1}{s} \times \frac{r^2}{1-r} = \frac{r}{1-r} \times \frac{1}{s}$$

Adding to this the average time taken to service a customer gives the average time which he spends in the system:

$$\frac{r}{1-r} \times \frac{1}{s} + \frac{1}{s} = \frac{1}{1-r} \times \frac{1}{s}$$

In the example just discussed, the average time spent in the system is thus $2\frac{1}{2}$ minutes.

Communication Theme at Birmingham Dinner

Over 700 principals and students attended this year's Birmingham Chartered Accountant Students' Society Annual Dinner — an occasion which traditionally provides good food, wine and a jovial atmosphere.

Responding to the toast of the Institute, ICAEW Deputy President Mr Richard G. Wilkes, OBE, TD, DL, FCA, spoke of the important position held by the Institute and its recognition by the major institutions in this country. 'It all adds up to a record of which we, as an Institute, can be proud', he said.

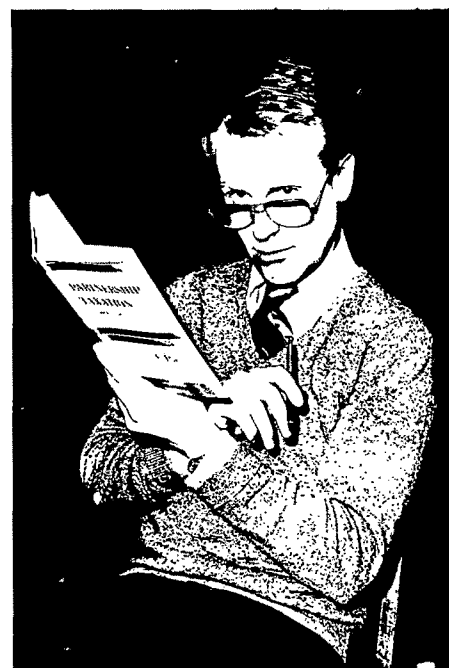
The popular image of accountants had greatly improved over the years due to better communication with the public. The portrayal of 'a boring old accountant, a human petrification with a heart of felspar, minus bowels and heart, and lacking in imagination [*The Accountant*, September 27th] was now, thankfully, a thing of the past.

Mr Wilkes felt that responsibility for students' training was essentially a personal matter. Students' societies were important in helping the trainee to learn

how to communicate — by speaking at open meetings and debates. Professional communication is also important; the public should be able to understand and communicate with accountants. At present, members of the public were confused by concepts such as profit, and many annual accounts were too complex.

The largely male gathering made their presence felt when Ms Julie Beck, BCASS honorary secretary, rose to respond to the toast of the Students' Society. The combination of wines, port and attractive ladies proved too much for some, and the cheers and whistles were on a scale more appropriate to a football match than a formal dinner! Despite this excessive enthusiasm, Julie managed to discuss the improvements in BCASS activities, on the sports field no less than in the provision of courses.

Another member of the BCASS executive, Joseph Bates, honorary treasurer, toasted the guests, to which Mr Peter R. Warrell, FCA, managing director of Hunt & Broadhurst Ltd, responded with a lighthearted exposition of accountancy.



NEW JOINT DEGREE FOR MANCHESTER

'Highly qualified' students will have to compete for a new joint degree in accountancy and law at Manchester University, which will start with ten students next October. The four-year honours course leads to a Bachelor of Arts (Accounting and Law) and will be led by Professor Gillian White (law) and Professor John Andre Arnold, MSc, FCA.



Student Roundabout

Further Outlook – Little Change

Although the student accountants of today have to assimilate a steadily increasing bulk of knowledge, the methods used to convey this information to them have greatly improved – for example, through the private tuition firms, claimed Mr Brian G. Jenkins, MA, FCA, Vice-Chairman of the ICAEW Education and Training Directorate. Mr Jenkins was the guest speaker at the opening of Chart Tutors' impressive new Birmingham offices.

Recommendations

Discussing the recommendations of the short-term Examination Review Working Party (*The Accountant*, August 2nd), Mr Jenkins spoke of the importance of strengthening PEI to end the present situation in which too many students who pass PEI repeatedly fail the final exam. Some material had to be brought back from PEII to PEI, which is why the Summer 1981 PEI exam would contain an accounting techniques paper for the first time.

Many comments had been received

from students on all the points – general opinion seemed to be against the suggestion of an open book system 'as it would serve no useful purpose'. More difficult exams would have to be set.

One of the major complaints of students is the inordinate length of some of the papers being set. At the time of the Working Party's report, many students considered that it had 'copped out' of this important problem. Mr Jenkins, however, offered no new encouragement, saying only that 'everyone is still very concerned with the length of the examinations at present and unfortunately there are still some too long papers being set'.

Shortage of reading time

Directly related to this is the problem of a shortage of reading time. Mr Jenkins felt that it would be impossible to enforce a certain amount of time specifically for reading – and this was all that could be done, extending the time of the paper, for example, from 3 to 3½ hours.

Model answers are 'not a good idea', he said, because they inevitably lead to the idea of a 'perfect' or 'school' model, and would obviously be written in far more time than that allowed to the candidate. Instead, examiners' reports should be improved.

Moving on to the longer term considerations, Mr Jenkins talked of the importance of the background in which people are going to qualify, and how it is impossible to predict as changes in the increasingly complex business world are too rapid. The profession itself is becoming more complex. He predicted an increase in the amount of reporting required.

'People too are going to be a problem – there will be fewer candidates and it will be more difficult to attract the best *graduates* [emphasis supplied] into the profession. So I believe that marketing the profession will be very important'. Mr Jenkins also felt that more would have to be fitted into the training period.

Concluding, he outlined the main aims of the Education and Training Committee: to instil basic technical knowledge and practical experience and try to root out potential failures earlier; to instil personal professional qualities (as important to industry as technical skills) achieved through practice and through the 'very important' relationship between the student and his principal. Finally a satisfactory answer to the question of broad-based teaching versus specialisation had to be found.

TRAINING SERVICES NEWSLETTER

A free quarterly Newsletter outlining new productions and future plans in the English Institute's range of Training Services material is now available from the Courses Department.

The Newsletter, which is mailed to training officers in practising firms and to career development advisers in industry, contains details of package courses, home study cassettes, and other training aids.

The first edition of the Training Services Newsletter was issued by the Training Services Section of the Courses Department in October. The next edition will be published in January 1980.

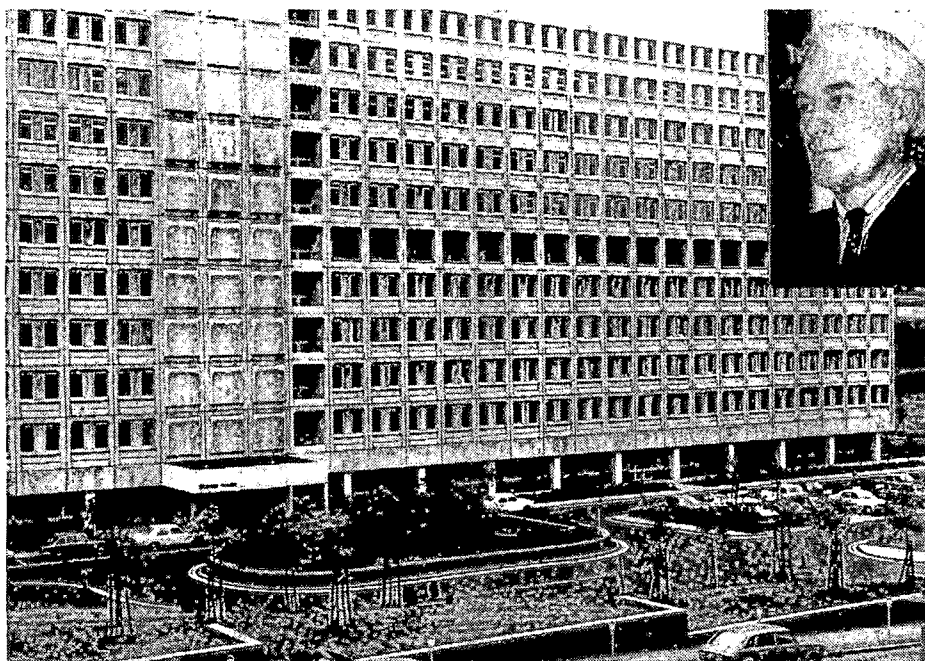


Chart Tutors' new offices containing six lecture rooms and offices for six full-time lecturing staff. (Inset) Mr Brian Jenkins, guest speaker at the opening ceremony.

Student Roundabout

To Secede or not to Secede

Is that the question?



Ian Davies

On December 10th the Chartered Accountant Students' Society of London are holding a special general meeting to consider whether or not to remain within ACASS, the national association ('Roundabout', September 20th, and October 4th and 25th). As the outcome will affect all chartered accountant students, 'Roundabout' invited ACASS President Ian Davies and CASSL Chairman Neil Haines briefly to explain the issues involved and their own points of view.



Neil Haines

'London must remain in ACASS. Withdrawal could be disastrous for both sides, since the two have separate but complementary roles. Neither one could hope to expand to fill the role of the other.

The reason for CASSL's disquiet is the rejection of their request for 38 per cent of the voting strength at ACASS Council. Council rejected this for two reasons: first, that the proposed rule changes treated CASSL as a special case and paid no regard to the effect on other societies, and, secondly, that CASSL might be able to dominate policy through their increased voting strength.

There is a very high degree of accord between student societies on matters of policy, so the threat of domination does not come into play. Even on a matter of dispute, if CASSL have over 45 per cent of the membership then they are entitled to at least 38 per cent voting strength.

Recognising the importance of this decision, the officers of ACASS and CASSL got together under the auspices of a joint Liaison Committee to consider all the possible options. A formula was agreed which eliminates the first reason for rejection of the Newcastle motion, gives London, Manchester, and Birmingham a greater voting strength than at present, and yet is still weighted in favour of smaller societies.

In order to ascertain the degree of support by local societies for this revised formula, everyone has been requested to discuss the proposed change at their next full committee meeting and reply in writing to ACASS by Friday, December 7th (prior to the CASSL special general meeting). At the time of writing, Birmingham, Manchester, Southern, and Huddersfield have formally replied. Added to London's existing 23 per cent (as the decision will be made on the present voting strength) the societies formally in favour are 42 per cent. For a rule change a two-thirds majority is required. The SGM is likely to be significantly influenced by the number of local societies prepared to accept the new formula.

If accepted at the SGM then London are likely to take a greater interest in the development of national policies, which can only be good for both ACASS and CASSL.'

'There is little doubt that ACASS does not adequately represent the needs and opinions of CASSL members, given that the London student society has only 23 per cent of the available vote at ACASS Council even though it represents approximately half of the total student population.

The decision to withdraw or not will hinge on this question of adequate representation, but what should be considered is as follows:

Would CASSL be able to represent its members more effectively on its own, or would it be better to influence representation to the Institute through ACASS – as is the situation at present?

It is a fact that the CASSL Executive does not have a member on the Executive Committee of ACASS at this time. In the past CASSL has been active on the national executive, but at each stage, there has been a conflict of interest involved. Should a CASSL representative on the ACASS Executive put the interests of CASSL, whom he was elected to serve, before the interests of ACASS?

If conflict exists, and it does, it is really due to the difference in size and relative influence that exists between the members of ACASS – the local students' societies. ACASS, in many ways, sees its role in the protection of the smaller societies and their members. CASSL too has this duty, but finds that at times it may only do so to the detriment of itself.

Perhaps, therefore, it would be more sensible to allow ACASS a totally free hand in their attempts to improve the standards of living and training of the members of smaller societies with CASSL involved only in matters of policy.

CASSL is, I feel, capable of representing the needs and opinions of its members. The question which I believe CASSL faces this time is: Do CASSL members wish this Society to spend more of its time on Institute politics or could its efforts be better directed towards its other spheres of activity?'

Notice Board

PROFESSIONAL NOTICES

Casson Beckman, Chartered Accountants, announce that Mr Martin Spencer, FCA, has been admitted to the partnership and appointed as director of Casson Beckman Associates.

Price Waterhouse & Co, United Kingdom, firm announce that with effect from December 31st, 1979 the address of the Leeds office will be: Sun Alliance House, 9 Bond Court, Leeds LS1 2SN. Telephone (0532) 442044; Telex 556312 (unchanged).

APPOINTMENTS

Mr David Baggaley, FCMA, has been appointed director of finance with National Girobank.

Mr Peter A. Davis, FCA, a partner with Price Waterhouse & Co, will be joining the Harris Queensway Group as executive deputy chairman in May 1980.

Mr Brian J. Fisher, FCA, chief executive of the CTS Group of Companies has been appointed to the Council of the Computing Services Association and chairman of its Bureau Division.

David Furse-Roberts, BSc(Eng), FCA, has joined Polstore (Materials Handling) Ltd, as general manager.

Mr Lester Kendler, FCA, has been appointed senior accounts executive with AIDS (Accounting & Information Development Services Ltd).

Mr Alan Teague, ACCA, has been appointed financial director of Fluidrive Engineering Company Limited.

Mr Philip Stanyer, ACA, has been appointed a director of Shaw Packing Ltd, of Meltham, and Shaw Polythene Ltd and Shaw Readipak Ltd, both of Huddersfield.

Mr W. Walker, FCCA, has been appointed director with special responsibilities for financial matters to G. Dew & Company Limited.

ROLLS-ROYCE DIVIDEND POSTPONED

The High Court this week refused 'at present' to authorise payment of a final distribution of 8.4 pence in the £ to former shareholders in the old Rolls-Royce company, due on December 6th, following the issue of writs arising out of an air crash in Bombay in 1976.

According to the joint liquidators of the company, this claim, even if it can be substantiated – 'which seems extremely unlikely' – would be covered by insurance, so that there is no reason to anticipate any reduction in the final payment.

COURSE PACKAGE

The Auditor in Court

'The Auditor in Court', featured in *The Accountant* of July 26th, is now available as a package designed to be used as the basis of a short course lasting a half day including discussion periods. It can also be adapted to form part of an existing course.

The course material includes a videotape, lasting about one hour, showing a fictional courtroom scene in which an audit partner is cross-examined on the conduct of an audit. The videotape is divided into four parts covering planning, supervision and control, accounting systems and internal controls, audit evidence, and review of financial statements.

The package can be purchased for £431.25 in the UK, or £646.87 overseas. The charge for one week's hire of the package in the UK is £92, inclusive of VAT in all cases. Inquiries and applications should be addressed to the ICAEW Courses Department at PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ (01-628 7060, ext. 216).

ICAEW TECHNICAL BULLETINS

The Institute of Chartered Accountants in England and Wales has announced a new technical bulletin service to help members to keep up-to-date with technical developments. The first issue will be published on December 7th.

Bulletins will deal with current technical developments in the profession, such as accounting and auditing standards, and with new legislation, Inland Revenue and VAT practice, and a host of other matters. The annual subscription (six issues) is £6.

Members may, if they wish, send additional copies to their clients, and special terms are available for multiple orders. Inquiries should be addressed to the Publications Department, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ.

STATE SCHEME PREMIUMS

Market Level Indicators

The new state pension scheme which started in April 1978 allows contracted-out occupational pension schemes in certain circumstances to transfer the responsibility, or part of the responsibility, for their members' guaranteed minimum pension rights to the state scheme by the payment of premiums.

The premiums concerned are limited revaluation premiums, accrued rights premiums and pensioners' rights premiums. Their amounts are, in part, related to stock market levels at the time they become due and DHSS each month notifies the average market level indicator to be used in their calculation under the State Scheme Premiums (Actuarial Tables) Regulations 1978 (SI 1978 No 134).

For November 1979 the average market level indicator for accrued rights premiums and limited revaluation premiums is 62. The corresponding average market level indicator for pensioners' rights premiums is 71.



Private Patients Plan, under the chairmanship of ICSA Past-President Mr John F. Phillips, CBE, LL.M., FCIS (seated) recently announced a loan of £500,000 'at a nominal rate of interest' towards the building of the new Warwickshire Private Hospital, Leamington Spa. A local appeal headed by Mr Quinton Hazell, CBE (standing) has already raised £1½ million in little over a year, and the PPP loan will enable building work to start ahead of schedule.



THE PROFESSIONAL BOOKSHOP

Over 1500 titles in stock



Books for all professional people

Books for students of the professions

*Any title on professional business and management
subjects obtained on request*

Personal advice and guidance always available

Deliveries by post to any destination

GEE'S BOOKSHOP
151 Strand London WC2R 1JJ.
Tel. 01-836 0832.

NOT TRANSFERABLE

SEE REVERSE SIDE

AMERICAN EXPRESS®

BT

[3742 900729 91006]

VALID DATES *

MEMBER SINCE

DEREK JONES
HAWKES & MCCREE LTD

* NOT VALID IF CANCELLED OR REVOKED

AMERICAN
EXPRESS

© Gee & Co (Publishers) Limited, November 29th, 1979.

GEE

THE ACCOUNTANT

ESTABLISHED 1874

DECEMBER 6th, 1979

30p

657.05
AC 27

Vol-181/5471



Heron Leasing think you've got better things to do with your money than buy cars.

By leasing cars, you can have that money working more profitably in the business.

Extra cash flows where you want it. (And you can have that cash right now if you sell us your existing fleet on our leaseback scheme.)

You enjoy substantial tax benefits, and significant accounting advantages: add up the virtues of fixed costs, eased budget planning and an extra credit line.

How to manage without cars

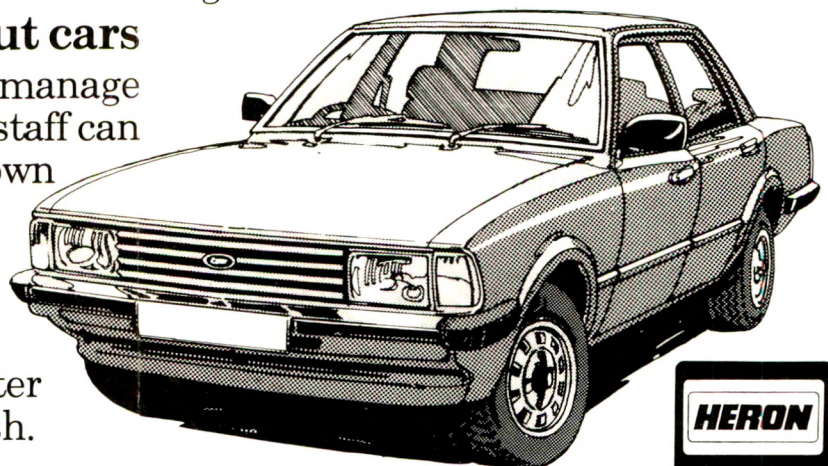
Simple. Let Heron manage your fleet – so you and your staff can get on with managing your own business, confident that Heron's hugely professional Fleet Management Plan is coping with the car burden. Under Heron's tight computer control fleet problems vanish.

Management time is liberated.

There are major cost savings as well.

Leasing or Fleet Management, it would pay someone in your organisation to talk to Heron Leasing. Ring David Black on 01-903 4811. Or get your Secretary to clip this advertisement to your letterhead and send it to us.

Then sit back and watch the cash start flowing your way again.



Heron Leasing. It's like money in the bank

Heron Leasing Ltd, Freepost, Wembley, Middlesex HA9 8BR. Telex: 923630.

Editor:

M. Barradell, LLB, FCA

151 Strand

London WC2R 1JJ

Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5471

DECEMBER 6th, 1979

In this Issue

804

The Law and the Prophets
*Edwin Hendrickse and
Peter Moore*

810

The Curate's Egg of ED24
Professor Adrian Buckley,

811

The Parting of the Ways
William L. I. Newman, ACMA

818

Life Assurance and Inflation

824

Survival is the Object

832

Golden Handshakes
Felice V. Slade, FCA

Current Affairs 798

This is My Life 802

Accountant Abroad 804

Revenue Report 815

Banking and Insurance 818

Financial Accountant 824

Student Roundabout 831

Notice Board 836

Cover: Du Maurier's starveling curate, pathetically anxious not to give offence when taking tea with the Bishop, protested that parts of a manifestly bad egg were excellent – and thus added a new phrase to the language. On page 810, Professor Buckley finds ED24 'excellent in parts'. (Picture by courtesy of the proprietors of *Punch*.)

Beggar My Neighbour

The Dublin Summit was a sad affair in several ways. First, Mrs Thatcher did not get the cut in the British contribution to the EEC budget that she was asking for. Secondly, the other eight members, not one of whom would have tolerated a similar size of contribution from his own country, closed ranks and offered only £350 million plus some as yet unvalued spending on coal, transport and agriculture. Thirdly, President Giscard d'Estaing proposed that any settlement of the British claim should be linked to the settlement of outstanding disputes over sheep meat, energy and fisheries, which have nothing at all to do with the calculation of budget contributions. Finally, as a result of the summit, anti-Market feeling has increased; and it is now not unlikely that ending British membership will be adopted as Labour Party policy.

Mrs Thatcher has been criticised for stating her position too emphatically before the meeting, insisting on a repayment of £1 billion, and refusing to compromise. While it is true that a summit is not the place for major decision making but only for agreements in principle, it must be remembered that the question of Britain's budget contribution was on the agenda at the Strasbourg Summit in July, at which the Commission was instructed to prepare a report for the Dublin meeting.

However, the proposals put forward by the Commission went nowhere near meeting Britain's requirements. In fact, Mrs Thatcher went to Dublin aware that the other members would offer the £350 million arrived at by adjusting the hitherto unusable 'corrective mechanism', and that anything else would have to come from increased Community spending in Britain. In the event it was clear that the other eight members, regardless of the justice of the case, were reluctant to raise their own contributions in order to reduce the amount paid by the UK. None of the national leaders could afford to go back home and report that his visit to Dublin was going to mean paying a bigger share of the EEC budget with nothing in return. This being so, there was little that Mrs Thatcher could do except remove any doubts about the British position, which she did in most convincing style.

What happens next? The formal procedure is for the Commission to work over its proposals and report to the next summit, currently fixed for March but possibly earlier. Mrs Thatcher emphasised in Dublin that she wanted to avoid causing a crisis in the Community. This does not mean that the Government will have to agree quietly to everything that comes up at meetings of the Council between now and whenever the heads of government next meet. There is also the prospect of allies in the European Parliament, which a few days ago threatened to vote against the Community budget because amendments it had proposed in earlier drafts had been ignored. If the Parliament does this a very awkward situation would arise. This row concerns the budget total, not the individual national contributions, but with so little to gain there

would be no incentive for Britain to take any active part in working for a solution.

In short, although Chancellor Schmidt, President Giscard d'Estaing and Mr Lynch apparently went away well satisfied from Dublin Castle, everybody had in fact lost. Mrs Thatcher had stated her claim, refused what was offered as inadequate, and left the matter over for the next meeting.

The eight went away without having to pay out any additional money for the moment, but by doing so seriously damaged the standing of the EEC in Britain and its reputation abroad.

No one should derive satisfaction from the fact that at a time of world recession, with so many common problems to solve, the Community is incapable of settling an internal constitutional matter.

Reviewing the Audit Requirement

The Association of Independent Businesses is canvassing members' views on auditing for the smaller business. It has sent out to 100 companies employing less than 50 staff a consultation paper which states the current position, the call for a 'limited review' instead of an audit, and arguments for and against.

The question is whether the statutory requirement of audited accounts for smaller firms is cost-effective 'for the smaller business and for the country's economy as a whole'. Audit procedures considered satisfactory 30 years ago are, says the Association, not adequate today and the amount of evidence now necessary could be an intolerable burden to the small business. Furthermore, the cost of internal control systems necessary to avoid a very negative qualification could prove costly.

The minimum assurance necessary for accounts users could be provided by a limited review – defined as 'the procedure whereby an accountant relying upon the assumption that his client has made a full and fair disclosure of all the relevant information, compiles that information into a set of accounts or financial statements which he considers reasonable and satisfies himself that on the basis of the information and explanations so provided the financial statements give a true and fair view'. The main difference between a review and an audit would be that the accountant would be relying on full disclosure by the management of the company and would not be seeking third-party corroborative evidence to support the figures, or examining for an exhaustive internal control system.

The Association continues: 'The report the accountant would give would

still be in a positive form but of necessity would have to define the scope of his work, in particular identifying that he is not giving a full audit opinion. But on the assumption that he is satisfied with the explanations and information given to him, he might report that:

"the financial statements are in accordance with the underlying records. I am not aware of any material aspects in which the financial statements do not show a true and fair view of the state of the company's affairs . . . and of its profits for the year ended on that date, or fail to comply with the Companies Acts".

So far, the accounting bodies have not

produced an agreed definition of a review, nor have they determined the standards likely to be required for audit. However, the CCAB Audit Practices Committee is not idle, and replies should soon be forthcoming to last month's discussion paper (*The Accountant*, November 1st).

Spreading it Around

The long-established goodwill of the Tansley Witt practice has been spread even more widely over the professional scene with this week's announcement of a merger between Tansley's Birmingham office and Price Waterhouse & Co. Formal notices by both firms are published on page 836.

Four other firms, including Arthur Andersen and Binder Hamlyn (*The Accountant*, September 6th) have already been involved in mergers with various Tansley Witt offices in the United Kingdom.



The President of the North West District Society of Chartered Accountants, Mr J. Warwick Wilson (second from right) in convivial mood with a group of distinguished guests prior to the Society's recent annual dinner at the Imperial Hotel, Blackpool. From left, Messrs F. Alan Bevis, J. C. Bryan (Vice-President of the Society), D. G. Richards (President, ICAEW) and J. F. Richardson.

Current Affairs

Among the various celebrations being planned to mark the ICAEW centenary next year is the Founding Societies' Centenary Award. This scheme is the brainchild of the District Societies in Liverpool, London, Manchester and Sheffield, the present-day successors of the various groups of accountants who founded the Institute in 1880.

Unusually wide terms

The terms of the scheme [*The Accountant*, September 20th] are drawn unusually wide for a professional award and are designed to honour 'an outstanding contribution, by a member of the Institute, in any field'. It is intended that the award should be made annually, and a selection committee has been set up to sift the nominations which are now beginning to flow in. The closing date for the first award is December 31st, 1979.

The selection committee is headed by Mr E. Kenneth Wright, MA, FCA (President, 1973-74) and includes Messrs Cecil Parkinson MA, FCA, MP (Minister of State for Trade), Dick Taverne, QC (Director-General, Institute for Fiscal Studies), Teddy Ashton, MA, FCA (a Past-President of the Liverpool Society), Professor Carsberg, MSc(Econ), FCA, (representing Manchester), Messrs Michael Mallett, FCA (Master Cutler of Sheffield, representing the Sheffield Society) and Eric Sayers, FCA, JDipMA (President of the Institute in 1978-79). Secretary to the committee is Mr A. M. Rabarts, BA, FCA, of Arthur Andersen & Co.

The award is a model of *Economia*, the allegorical figure who appears in the Institute's coat of arms and who has already celebrated quite a few centenaries herself [see 'The Institute Lady', by Cosmo Gordon; *The Accountant*, November 6th, 1948]. A description of her is given in Cesare Ripa's book *Iconologia*, published in Rome in 1603: 'A matron of serious aspect crowned with olive and holding a compass in her left hand, a rod in her right. Behind her is a rudder.'

'Every family has need of its own particular laws, so she is shown holding a rod signifying command. The rudder is the symbol of guidance. The garland of olive shows that the good economist must necessarily maintain peace in her house. The compass teaches how each



Founding Societies' Centenary Award

economist should measure her powers and so estimate by means of reckoning what she has to spend'. Ripa's woodcut for some reason omits the olive wreath.

The model was commissioned from Liverpool silversmiths Boodle and Dunthorne, a family business dating from the 1790s with an impressive track record of commemorative pieces. Various designs were put forward by Charles Halliday, a leading modeller in silver, to the Founding Societies, and the final choice – which was displayed at the Liverpool Society's recent annual dinner – can be seen in the photograph. It is made of sterling silver countersunk in a plinth of Italian marble; a nod, so to speak in the direction both of Cesare Ripa and of Pacioli, of double-entry book-keeping fame.

The longest part of the manufacturing process was undoubtedly the modelling itself. Quite apart from the problems of getting the figure right, curves, flat planes and edges had to be absolutely true to avoid wasting time and silver at a later stage, not to mention the risk of uncovering air pockets as a result of filing off unwanted metal. A team of craftsmen then set to work on the remaining stages of casting, finishing, hand polishing to achieve a glossy sheen and finally engraving the coats of arms of the Founding Societies' cities.

Critical Stage

The last stage was also critical. A film of grease is laid on the silver, the design is then drawn on with a wooden peg and the silver gouged out with a triangular steel tool. One false slip would have meant erasing the work done so far and starting again, as well as spoiling the overall appearance of the piece. The Manchester motto *Consilio et Labore* – 'by skill and industry' – is therefore as appropriate to the silversmiths who made the piece as to the laureates who will eventually win it. The model was sent for assay to Sheffield, and weighs 45 troy ounces.

The arrangements for the first presentation are being made by the London Society, although it is expected that the venue may well move between the four Founding Societies in turn. The 1980 award will be presented by the Rt Hon Edward Heath, MBE, MP, in the Banqueting House, Whitehall. The site was originally occupied by Cardinal Wolsey's house, which was later appropriated and enlarged by Henry VIII and remained a royal palace until the 17th century, when William III preferred the calmer life of Kensington Palace and Hampton Court. A disastrous fire in 1619 led to the construction of the present building by Inigo Jones, which was magnificently decorated for Charles I by Rubens in 1635. Rubens was awarded £3,000 and a knighthood four years later.

Presentation of the 1980 award will take place on April 24th, 1980 (for details of tickets telephone 01-628 7060). Nominations for the first award should be sent to the Secretary, Founding Societies' Centenary Award, 38 Finsbury Square, London EC2, by December 31st, 1979.

Current Affairs

Would You Believe It?

You can't trust anyone these days; and when a messenger of good tidings arrived at the door of Car Entertainment Services of Leicester, electrical engineer Mr Wojciech Maczewski gave him a raspberry.

He thought it was a case of VATman striking again, and refused to believe the man when he told him he was the joint winner of £758,896.80 tax-free – indeed, VAT-free. Such is the fear of VATman and his wily ruses that it took an hour's persuasion to uncross all the wires and clear the air of static.

Mr Maczewski, his boss and two other employees had not drained the VAT; they had scooped the pools.

No Comparison

Reporting standards of Britain's nationalised industries are as good, and in some respects superior, to those of major quoted companies; further, some of these industries have been leaders in the adoption of current cost accounting. Nevertheless, this week's report commissioned by the Consumers' Association from Phillips & Drew concludes that 'the public is entitled to expect a greater degree of comparability between the accounts of nationalised industries than between those in the private sector'; and calls on government, as the ultimate shareholder in industries for which various Ministries are individually responsible, to insist on the adoption of common reporting practices.

Nationalised industry accounts, it is recognised, are necessarily presented in a political context, and the reporting either of huge profits or of huge losses becomes a matter for criticism. But, while the information disclosed by individual industries may be commendable, it remains impracticable, according to Phillips & Drew, to make direct comparison between the reported profits of different industries or to assess their performance against laid-down targets. Further, there are wide differences in both directions, in the case of eight major nationalised bodies, between the results actually reported on existing permitted accounting bases and the results yielded either by conventional historic cost accounting or under CCA.

The present report raises echoes of the pioneer work of Professor David Myddelton, now Cranfield's Professor of Finance and Accounting. Writing in *The Accountant* of May 7th, 1970, on the effects of currency debasement, he demonstrated that to adjust the gas

industry's accounts for the effects of inflation over the years 1949 to 1969 would be to turn reported profits of £27 million into a £317 million loss.

(*Nationalised Industries' Accounting Policies*. Consumers Association, 14 Buckingham Street, London WC2N 6DS, price £15.)

No Case for Capital Taxes

Abolition of capital gains tax, except possibly in the case of short-term speculative gains, has again been urged on the Treasury by the Consultative Committee of Accountancy Bodies. Capital gains tax, development land tax and stamp duty together account for less than 2 per cent of United Kingdom tax revenue, and a substantial part of that 2 per cent relates to inflationary elements which, the accountants argue, should be removed from the ambit of the tax by some form of indexation.

CCAB has also drawn attention to the plight of the large number of small businesses originally incorporated as limited companies for reasons which are no longer valid, but which are deterred from disincorporation by potential tax consequences in terms of CGT, the clawback of stock relief, and balancing charges. The Treasury has invited further detailed observations on the extent to which owners of such businesses continue to suffer the administrative burdens of incorporation, mainly because of tax pressures.

Other recommendations by CCAB include the publication of Special Commissioners' reports, subject to suitable safeguards; annual review of the rate of interest payable on tax overdue or overpaid; clearance procedures in relation to anti-avoidance legislation; improved

relief for retirement annuity premiums; standardised time limits for the various claims and elections, related to the end of the relevant accounting period or year of assessment; and a more frequent consolidation of the legislation.

Country Mansion Up for Sale

Turvey Abbey, the Bedfordshire headquarters of the Association of International Accountants, is on the market, it was authoritatively confirmed this week. Inquiries have already been received for purchase of the freehold interest at a price in the region of £200,000.

Ceremonially opened last year by the then Chairman of the Association, Mr F. B. C. Chance (*The Accountant*, May 18th, 1978), Turvey Abbey has good communications with London by both rail and road, but seems nevertheless to be too far removed from traditional areas of business and professional activity to have attracted significant membership support – leading to cancellation of some events in the 1978–79 programme. There is no indication at present of when or where the Association may move, but a return to its former headquarters at Billericay seems unlikely.

Wait For It!

Priority will be given, according to a recent Inland Revenue statement, to the refund of any overpayment of tax due to PAYE taxpayers at April 5th 1980, in consequence of recent increases in mortgage interest rates. Present levels of work in Revenue offices, however, are such that it would be impracticable immediately to recode all borrowers for 1979–80, more especially as the practice on a change of interest rate varies from one building society to another.

Mortgage interest relief for 1979–80 has been generally based upon a rate of 11½ per cent, though anyone who has taken out a mortgage since the announcement of the 15 per cent rate on November 22nd will automatically have the correct interest allowed for in his coding if full details are submitted with the claim. Tax offices will also consider sympathetically any case where the deferment of relief until April 5th next is likely to cause actual hardship.

Now Albany's New Funding Plan Makes the Pieces Fit.

QUALIFYING POLICY

TAX FREE INCOME

SINGLE PREMIUM *INVESTMENT* BONDS

Take one investor with a tax problem and a lump sum.

Then take one qualifying policy and nine investment bonds.

Bonds pay annual premiums. After ten years, qualifying policy provides tax-free income.

Great idea. Just one snag.

Annual premiums fixed, bond growth rates changing. The two haven't always matched.

Now take Albany's new Performance Indexed Conversion Plan.

The same idea except that qualifying premiums aren't fixed. They change from year to year *automatically* depending on the value of the bonds.

This means client well protected against 'premium shortfall' while enjoying the maximum growth opportunities of a wholly unit-linked Conversion Plan.

The Plan is a complete package of specially designed Bonds and qualifying policy.

We can even allow for Higher Rate Tax on the Bonds.

The minimum investment is £5,000 and generous share exchange facilities are available.

It gives investment flexibility through the six Albany Funds managed on the advice of Warburg Investment Management Ltd., and, for property, Knight Frank Rutley.

Just ask your usual Life Assurance adviser for further information and a quotation.



Albany Life Assurance

A MEMBER OF THE £2,900 MILLION AMERICAN
GENERAL GROUP OF INSURANCE COMPANIES

INVESTMENT ADVISERS: WARBURG INVESTMENT MANAGEMENT LTD.

PROPERTY ADVISERS: KNIGHT FRANK AND RUTLEY

STATION HOUSE, 3 DARKES LANE, POTTERS BAR, HERTS.

TEL: POTTERS BAR 42311

Current Affairs

Auditors as 'Technicians'

Scottish chartered accountants were called on last week by their President, Mr Donald Grant, TD, CA, to cast off a 'blinker and restricted outlook' and to lend their skills, their experience and expertise, to government and industry for the solution of 'many complex and difficult problems which for so long have beset the UK.'

Addressing the annual dinner of the Scottish Institute, held in the Albany Hotel, Glasgow, Mr Grant warned of the danger of auditors of companies becoming established as little more than highly skilled and sophisticated technicians, following fixed lines and systems.

'A very considerable and growing number of our highly-trained members is

being sucked into the auditing field, and pressures are mounting to limit the auditor's involvement to just that', he said. 'At a considerable annual cost, the client is given what he certainly regards as just a seal of good housekeeping, in the shape of an audit report which says very little beyond confirming — or otherwise — that the accounts show a true and fair view. That may mean something, or nothing, or everything: for example, the inflation accounting proposals contemplate the issue of two sets of accounts.'

'Surely we can do better than this? The auditor, in carrying out his work, must spend hours in every aspect of the business, and must form views and conclusions on much that he has observed. What a waste of his time and talents —

and, incidentally, the company's money — that so much of what he has learned remains buried, like the proverbial talent, in his files!'

There was a case for auditors to use their talents in reporting on a much wider basis, embracing the effectiveness and general efficiency of the company. This should be seen, not as an intrusion into the traditional responsibilities of management, but as complementary to the role of the management accountant.

Quote of the Week

'If you find mistakes in this publication, please consider that they are there for a purpose. We publish something for everyone, and some people are always looking for mistakes.' — From *The Canadian Parachutist*.

THIS IS MY LIFE

New Look at Old Friends

by An Industrious Accountant

The morning after our annual pensioners' tea party, Prinny convened a pension fund committee meeting to discuss the event and suggest improvements, if possible. Personally, he smirked, he thought it had gone down dashed well. Everybody he'd met had been in great form and had congratulated him on the company's generosity.

For my part, I was less satisfied. My group of ageing ex-accountants have scattered and they meet each other but infrequently, so they found little in common. True, they asked who had left us recently, or been promoted or rotated, but somehow their conversation sagged. Their old interests, our tax computations or new format of cost statements, or the vendetta with the salesmen, had faded away and left them mere acquaintances.

The lady pensioners were different, as usual; they sat grouped round the tables, demolishing tea and cakes and sometimes a reputation. They told of

daughters married and babies born, and overcharging in our supermarket, and showed remarkable knowledge of our more hush-hush problems. They welcomed me as their boss of long ago, and told me who was really keen on my daughter; but the teenagers I remembered were now smiling matrons, dressed à la *Vogue*, with rings and smashing hair-dos, and I found myself mixing their names.

Of course, they hadn't been invited to Prinny's private room, where he concentrated alcoholic hospitality on one-time buyers or travellers or truck drivers, who quaffed the whisky heartily and told blue stories and the latest scandals, and roared their enjoyment.

I told him bluntly that his invitation list was unfair and prejudiced, and he got annoyed and grouchy; then recovered and said he'd maybe change next year, and waited for applause.

At that point Primrose blew her top.

Why were husbands and wives not asked to meet the friends of their spouses? What about hand-outs with departmental news about past colleagues? Why not informal monthly reports, not treating them as second-class citizens; couldn't we afford it? Why not their own committee to arrange coffee mornings, perhaps in our own canteen; what about a special bargains sale for surplus stuff every month, a baby show or a draw on sales dockets for a trip to Marbella?

She stopped breathlessly, and Prinny, who had gone purple, said generously 'Out of the mouths of babes, I'll try it'.



At that point, Primrose blew her top...

KEEP AHEAD OF THE TIMES WITH CTS

After 11 years of providing computer services to the profession and listening to their pleas, CTS announce that they can put Practitioners AHEAD OF TIME.

- *SIMPLICITY** "Why can't computer bureaux provide a *very* simple system for time recording?" (1 partner, 4 staff)
- *GROWTH** "Why can't computer bureaux develop time and fee recording systems that automatically allow for growth?" (2 merging firms, each of 2 partners, 20 staff)
- *INTEGRATION** "Why can't computer bureaux provide a fully integrated time and fee ledger which is simple to operate?" (4 partners, 20 staff)
- *PROFITABILITY** "Why can't computer bureaux re-analyse our data to automatically give partner and practice operating statements?" (10 partners, 60 staff)
- *CAPACITY** "Why can't computer bureaux provide us with virtually unlimited scope for analysis of our time ledger, say up to 99 partners and 99 types of work?" (10 partners, 10 staff)
- *FLEXIBILITY** "Why can't computer bureaux allow us to have time records processing weekly or monthly, submitted on *any* day it is ready, and have it returned within 48 hours?" (4 partners, 40 staff)
- *SPEED** "Why can't computer bureaux allow us to expand so that we can key our time and fee ledger through our VDU in our office and make regular enquiries on balances?" (10 partners, 100 staff)

CTS CAN . . . AND DO

Time ledger with automated integration to fee ledger (if required), partner and practice operating statement (if required) and inter-firm comparisons (if required).

For all these services, contact:

Lawrence Josephs,
CTS Group,
CTS House,
Masons Avenue,
Harrow,
Middx. HA3 5AH.
(Offices throughout the UK)
Telephone 01-863 0111.

ADMIN

Another development to aid Practitioners by:



"The Specialists in Practice Automation"

CTS for Accounts Preparation, Practice Administration, Tax & Statutory Administration,
Accounts & Report Finalisation and Management Services via Computer and Computer
Bureau.

... By Accountants for Accountants ...



The Law and the Prophets

Fundamental Changes in Belgian Accounting Legislation

by **EDWIN HENDRICKSE** and **PETER MOORE**,
Deloitte Haskins & Sells, Brussels.

Few countries can have made such far-reaching changes to their laws regulating accounting and financial reporting practices as Belgium in the last four years. Prior to a law of July 1975, Belgian accounting and financial reporting standards were hardly apparent.

Historically, the principal party interested in the state of affairs and results of operations in Belgium has been the fiscal authorities. Whether this is due to the presence on more than one occasion of foreign occupying authorities, or to a healthy interest in planning one's affairs to minimise taxation, the Belgian entrepreneur has in the past managed to avoid the public dissemination of many important facts and figures relating to his business.

Impetus for change

The present changes are not being brought about by shareholders, interested to ensure that the capital which they have supplied is being managed to their satisfaction. Nor are they being forced by suppliers or materials and services; creditors have always sought to protect themselves by a characteristically cautious approach to the granting of credit. The lack of enthusiasm on the part of shareholders and management for a 'true and fair' picture to appear in writing has meant that the impetus for change has come mainly from government plans dealing with 'democratisation' of the Belgian economy.

Economic conditions have not favoured the development of a progressive accounting profession. The Belgian stock exchange still trades mainly in government bonds rather than industrial and commercial securities. Industry has

substantially been financed by banks and semi-public institutions; and the banks are closely linked to a few holding companies dominating important sections of the economy. They have typically obtained financial information by ensuring that they were represented on boards of directors. If one excludes foreign-owned investments, the rest of the economy is in the hands of small family enterprises.

Accounting requirements were governed principally by the commercial and tax codes. The books of account had to be in agreement with the detailed accounts submitted to the tax authorities and the statutory accounts had to agree with these tax accounts. This encouraged practices such as the recording of depreciation based solely on tax considerations and the availability of profit: 'How can one provide for depreciation if the company has never made a profit?' was a comment attributed to a director of one insolvent company during Court hearings as to his stewardship.

Social objectives

The 1970 Economic and Social Conference attended by trade unions, employers' organisations and the Government provided the turning point. It laid down certain social and economic objectives which included the standardisation of company accounts. The ensuing Royal Decree of November

27th, 1973, considerably expanded the financial information workers were entitled to receive – not only a detailed balance sheet and profit and loss account, but information relating to financial structure, budgets, computations of cost prices and other particulars which would enable them to understand the financial situation of an enterprise.

Pressures to provide the workforce with information, coupled with the need for detailed financial information by the Price Control Commission and a prospect of having to comply with the EEC Fourth Directive provided an incentive to reform, co-ordinate and expand the accounting and reporting requirements comprised in the various legal codes. The outcome was the 'Basic Law' of July 17th, 1975, on accounting and annual accounts which applies to all trading companies, sole traders, commercial companies or branches of companies established under foreign law operating in Belgium.

The Basic Law is being supplemented by a considerable number of Royal Decrees. The most important of these was the Decree of October 8th, 1976, which contained a detailed format for annual accounts based on an early draft of the EEC Fourth Directive; and that of March 7th, 1978, relating to the content and the format of a minimum standard chart of accounts. The development of accounting standards was entrusted to a government-appointed Standard Accounting Principles Commission.

Restricted to generalities

In Belgium a 'Law', such as that of July 17th, 1975, has to be debated in Parliament, whereas a 'Decree' becomes law by signature of the King. For technical subjects such as record-keeping and the preparation of financial statements, the law has been restricted to such generalities as that books of account should be appropriate to the nature and magnitude of the activities of the company, and should be kept in accordance with conventional double entry book-keeping practices. There are such pedantic provisions as that books are to be kept chronologically, without gaps or blanks; in the case of corrections the original entry should remain readable. Students of advanced accounting theory will find nothing to satisfy their

Accountant Abroad

curiosity as to how Belgium plans to tackle early extinguishment of debt or lease accounting.

The Government requires the approval of Parliament for the general approach in a law. Thereafter the Ministry of Economic Affairs has been responsible for the drafting of the enabling decrees which become law on receiving the Royal assent.

Legal prescription

The legal approach to the problem of improving accounting practices has been to prescribe the books which need to be kept, the manner in which the transactions have to be recorded in the books and the account captions which have to be used. If the law is respected it is felt that management will have the necessary financial information available to prepare the annual accounts, the form and content of which is contained in the law.

The book-keeping system envisaged by the law is based on the Napoleonic system of recording transactions either in a single journal or in specialised journals. The system must provide documentary evidence of all recorded transactions.

Where specialised journals are maintained, totals should be summarised in a central journal at least once a month. The entries in the central journal should reflect the total of the movements in the subsidiary journals analysed by general ledger accounts. For carbon copy book-keeping systems and mechanised and computerised systems, where the journals are produced as a result of direct postings to ledger accounts, it is only necessary to record in the central journal the total movements in each subsidiary journal. Less onerous regulations exist for sole traders, individuals or partnerships whose turnover does not exceed approximately £250,000.

Journals have to be stamped by the Clerk of the Commercial Court under whose jurisdiction the company is registered. The subsidiary journals need not be officially stamped if the total of the movements in these journals are summarised monthly in the attested central journal.

Every enterprise is required at least once a year to summarise, verify, examine and evaluate its financial position in order to establish a complete

inventory of its assets and entitlements, its indebtedness, obligations and commitments of all kinds. The result of this exercise must be recorded at the end of each financial year in a special inventory book which has likewise to be stamped by the Clerk of the Commercial Court. In practice, since the year-end accounts are based on this inventory of assets and liabilities, the balance sheet is transcribed into the inventory book with references to schedules or listings detailing the assets and liabilities.

The accounting principles adopted in arriving at the valuations used to prepare the inventory must be defined by the board of directors and must be recorded in the inventory book. These principles should be consistent from one period to another and should take into consideration the peculiarities of the business. They should not conflict with the requirement that the accounts should be presented fairly. Any modifications in accounting principles resulting from this overriding requirement must be highlighted in the annual accounts.

A feature of the recent accounting legislation is the importance placed on the chart of accounts, giving expression to a widely-felt need in the Belgian accounting profession. Such a chart becomes mandatory on January 1st, 1980 for enterprises employing more than fifty employees, or having a turnover which exceeds (at present exchange rates) approximately £800,000, or a balance sheet total exceeding £400,000.

Agreement maintained

It is hoped that by providing a detailed description of the contents of annual accounts and stipulating that the accounts should follow directly from the books, which should be based on the legal chart (cross-referenced to the annual accounts) the necessary discipline of ensuring that the books will be in agreement with the annual accounts can be maintained.

Like the French chart¹, the Belgian legal minimum standard chart requires details of prime costs. The nature of the cost prescribes its treatment, not its allocation. Consequently, those enterprises which have designed their accounting systems to give the cost of

products, jobs or processes will have to reorganise their systems to give the detailed components of these costs.

Various requests for exemption have been submitted to the Ministry of Economic Affairs with a view to obtaining a waiver of the rules relating to the standard chart. The position of this Ministry, based on advice from the Standard Accounting Principles Commission, appears to be that the minimum chart must be considered as an integral part of the standardisation of accounting procedures. Although it was agreed that the application of the standard chart did not in itself give the cost price of products it was thought that this could be obtained by extending the chart. Certain sections of the chart had been set aside for the specific requirements of each enterprise, in particular for cost accounting purposes.

Standard layout

Those enterprises which have to follow the minimum chart of accounts have since 1977 been preparing annual accounts in accordance with the detailed format of accounts contained in the Royal Decree of October 8th, 1976. The captions and sub-headings in the standard layout must be respected; however, additional sub-divisions may be inserted if required.

Only under very special circumstances will the Minister of Economic Affairs, acting on the advice of the Standard Accounting Principles Commission, authorise exemptions from the prescribed layout. The presentation of year-end accounts must be consistent from one year to another. If, however, fair presentation requires that a change be made the details must be given in the notes and the comparative figures for the previous year must be restated.

The accounts must be prepared in an unambiguous manner and show fairly and consistently the company's assets, debts, obligations and equity at the balance sheet date and its results for the financial period. Four accounting concepts are considered basic to the preparation of the annual accounts: the prudence, going concern, consistency and accruals concepts.

As the accounts which need to be published are extremely detailed, the National Bank has produced standard

¹See *The Accountant*, December 13th, 1973, page 785.

Accountant Abroad

forms for the preparation of the year-end balance sheet, account of results and notes. These forms give the government computer codes required for each caption. Certain smaller enterprises are permitted more limited disclosures.

The accounts must be prepared on the historical cost basis and the Royal Decree of October 8th, 1976 defines the classification and valuation rules in certain cases which might not otherwise be clear. The fixed relationship between statutory accounts and tax returns remains at present a relic of the past providing anomalies which are unlikely to be resolved unless the tax law becomes more flexible.

The accounts must be supplemented by extensive notes which are spelt out in the law. In addition to the obvious notes required for fair presentation, details must be given of all overdue amounts payable to the tax authorities and the social security administration. A description of any non-governmental pension schemes is required and information regarding shareholdings in direct subsidiaries, sub-subsidiaries and other associated companies must be supplied. There is as yet no requirement to provide for deferred taxation on timing differences in the annual accounts and the basis of the computation of the tax charge need not be shown.

Although a requirement for the pre-

paration of consolidated accounts is envisaged in the Basic Law of July 1975, rules relating to the preparation of such accounts have only been decreed for holding companies subject to the Royal Decree of November 10th, 1976 which essentially includes those holding companies with investments of more than £8½ million. Other matters not yet covered by specific legislation have been submitted to the Standard Accounting Principles Commission; these include the preparation of a statement of changes in financial position, accounting for pension funds, accounting for pooling of interests and business combinations, equity accounting and replacement cost accounting.

Penalties are foreseen for individuals, sole traders and directors, executives and managers of companies if they consciously violate the provisions of the law. Also, persons reporting on accounts in the capacity of *commissaire*, *commissaire-réviser*, *réviser* or independent expert may incur penalties if the law is not observed. It is still too early to determine how strictly these laws on accounting will be enforced but it is certain that the policing of these recent enactments will be no easy task.

Will the prophets again be proved correct? There is a saying in Belgium that the only thing that changes is the law. We may doubt it this time.

Unions Propose Shorter Hours

The European Trade Union Institute has called for a general cut of at least two hours in the working week to create new jobs. A cut of this size would force employers to take on extra staff.

The Danish Government's independent economic advisers, the Committee of Economic Experts (CED), however, has completed a report which says that a shorter working week would result in more unemployment. In its analysis it shows that a reduction in the working week from 40 to 35 hours by 1983 without adjusting wages would bring about a loss of 105,000 jobs over ten years – increasing unemployment in Denmark by 70,000.

The West German Council of Experts also concluded that the shorter working

week would raise unit labour and overhead costs, reduce international competitiveness and in turn lead to loss of jobs. In Belgium, the Government has dropped its proposals to employers and unions to negotiate a 36-hour week for introduction in 1981. It is now suggesting the introduction of a 38-hour week next year.

Worker Directors Rejected

The European Parliament's Legal Affairs Committee has rejected proposals for the appointment of worker directors to company boards. The plans, which called for German-type two-tier company boards with equal representation of workers and management, will now be deferred for further consideration.

The Commission has also been trying

for about seven years to produce a Directive harmonising company law. Drafts of the Directive have proposed the introduction of worker directors on the top level of a two-tier board structure, although a more flexible approach has been proposed because of opposition.

The slow progress of the Directive, and the lengthy transitional period before proposals became compulsory, means that no major changes in company structures are likely for some years.

Data Network to Start in December

Euronet, a data transmission system, and DIANE (Direct Information Access Network for Europe) are scheduled to begin full commercial operation in December. The network will carry information in aerospace; agriculture and veterinary science; civil, electrical, mechanical and chemical engineering; computing and electronics; human sciences; medicine; metallurgy; patents; petroleum; pharmaceuticals; and community jurisprudence.

Together with the co-operation of the telecommunication authorities, PTTs of the Nine, the Commission is building a network designed to improve access to data bases in Europe. The network is the first major system to link the EEC countries by using 'packet-switching' – a technique which puts messages into small packets, each one automatically labelled and addressed.

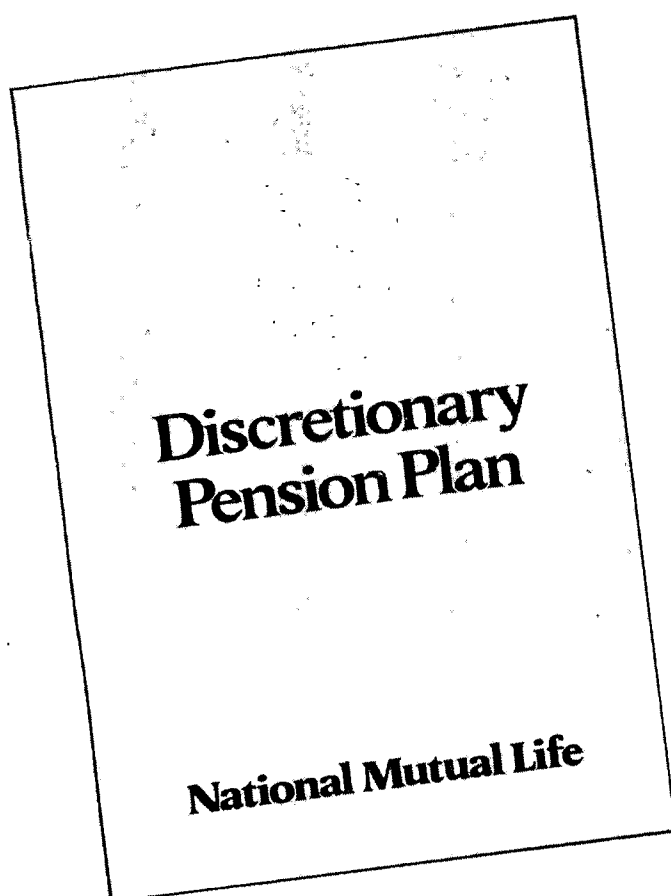
Flat-rate charges for use of the system mean that users will be charged only for the time they are connected and the volume of data transmitted. National charges for access to the network will vary from country to country. Almost all teletype-compatible terminals (print or screen) can be used with Euronet and an optional common command set will be available on a number of DIANE hosts.

Sixteen major European information suppliers have already signed up to offer their on-line search services through the Euronet telecommunications network.

Meanwhile Sesame, the Euronet DIANE standard command language, is now undergoing final tests on three different retrieval systems and is likely to be available on six DIANE hosts in their initial stages of Euronet operations.

You can look forward to an easier life selling our I.P.A.

We call it the D.P.P.



- ☐ Competitive rates.
- ☐ Free cover available for one life.
- ☐ Generous early retirement terms.
- ☐ Open Market Option.
- ☐ Life assurance continuation option.
- ☐ Clear, attractive presentation.
- ☐ Efficient administration.

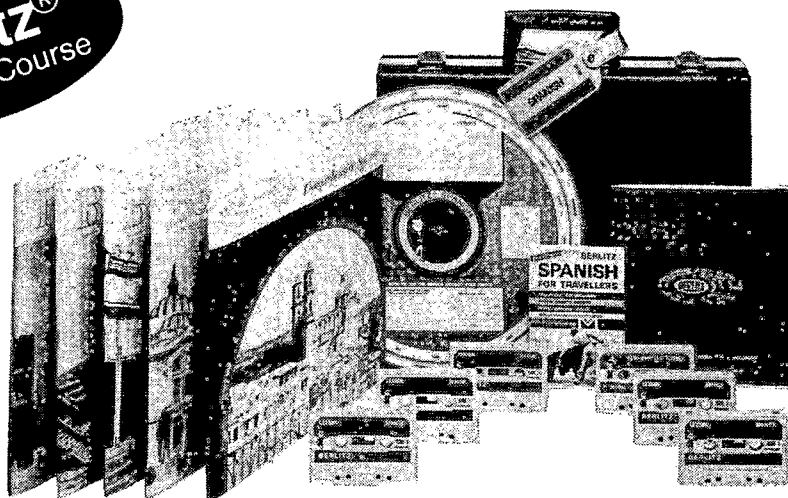


National Mutual Life

National Mutual Life Assurance Society (Founded 1830)
5 Bow Churchyard (off Cheapside) London EC4M 9DH
(Registered Office) Telephone: 01-236 1566

Registered in England No. 48949C

Member of the Life Offices' Association



What would you give to learn a second language? (Try £49.50) And what's it worth to your company?

There's a premium being paid for language-knowledge in the world today — and it's not only in the export trade. In multi-national companies, in major cities, even on the factory floor, a second language marks you as the potential spokesman, the well-educated executive, the man to ask about foreign ways.

And travel is so much more fun when you can meet people and talk their language. Now you can. Easily. Painlessly. All thanks to this 50-lesson do-it-yourself Berlitz language course. Available in French, German, Italian or Spanish — it's yours for only £49.50.

50 LESSONS ON CASSETTE

Packaged solidly in a handsome executive attaché case, the Berlitz Comprehensive Cassette Course contains:

1. Ten introductory lessons in a 90-minute long first cassette to familiarize you with the spoken language.
2. Forty additional lessons on five convenient 60-minute cassettes, making a total of 6½ hours of recorded instruction in all.
3. 6 illustrated workbooks to use with the tapes, each containing 50 pages of easy-to-understand, concise information to help you speak with the least difficulty. 300 pages, in all, to get you on the way to fluency in a second language.
4. A specially prepared, easy-to-use Rotary Verb Finder to help you with irregular verb forms — once you're ready for grammar.

EXCITING, INFORMATIVE, FUN

This course avoids the dry and the dull — mixes voices, sound effects and useful text in the delightful manner only Berlitz, the world's best known language instructor, can offer. And cassettes don't scratch, don't warp and don't unwind — last almost indefinitely. Best of all, they are easy to stick in your pocket, take along on a trip or use in the car.

Prepare yourself for a more rewarding future. At the same time enjoy the social advantages only a second language can bring. For £49.50 choose the course you need to start talking as if you had always lived there. Use the coupon and order today.

MONEY BACK GUARANTEE Try this Berlitz course for ten days. If you are not satisfied for any reason, simply return it, and obtain a complete refund. You take no risk, so order today.

USE THE COUPON BELOW

To: **Berlitz Offer:** THE ACCOUNTANT
151 STRAND, LONDON WC2R 1JJ

YES! Please send me your Berlitz Comprehensive Cassette Course(s) at £49.50 each (which includes postage, packing and VAT).

☐ French 466 100 ☐ German 466 101 ☐ Italian 466 102 ☐ Spanish 466 103

Please print name and address in block letters

Name _____

Address _____

Please indicate method of payment
Cheque or postal order — payable to Berlitz

☐ Access ☐ Barclaycard
☐ Diners Club ☐ American Express

Credit Card No. _____

Expiration Date _____

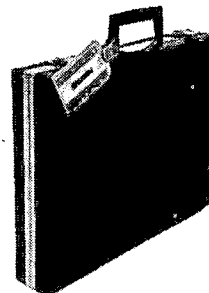
Signature _____

Receipted invoice included. Your Company may be qualified for full reimbursement from your Industrial Development Training Board Levy.

Allow up to 21 days for delivery.
Offer covers postage for UK only.

Overseas, seairmail please remit
£1.90 to cover postage and packing.
Air mail rates submitted on request.

LAACOI



CAP and Recession

by **RICHARD BAILEY**

In the late 1950s when the Six were discussing the formation of the EEC and Britain was backing enthusiastically into EFTA, the US supported the Six on the grounds that they were creating a closely knit political union that would overcome historical political rivalries and restore the economic strength of Western Europe and its standing in world affairs.

Since then different sectors of American industry have complained about undue competition from the Common Market both in the US and in third markets. American farmers have demonstrated the unfairness of subsidised EEC farm surpluses being exported to markets which they had come to regard as their own.

Recently these complaints were reformulated by Mr A. Ortiz Mena, president of the Inter-American Development Bank. The CAP has seriously distorted world trade flows, in Mr Ortiz Mena's view, and raised the rate of inflation in the industrialised countries. The agricultural exports of industrialised countries rose by 60 per cent between 1971 and 1978, while those of Latin America increased by only 30 per cent. This change was due to measures to promote European farm exports, through the payment of export subsidies on surplus production and the working of the Green Pound system and the payment of Monetary Compensation amounts (MCAs).

Farming cornucopia

Mr Ortiz Mena, who was addressing a symposium on co-operation between European and Latin American businessmen in Montreux, estimated that the nominal direct cost to the EEC authorities of subsidies to producers and higher prices to consumers for wheat, dairy produce and sugar rose from £15.7 billion in 1976 to £26.2 billion in 1978. This sum expended on only three products from the farming cornucopia, represents five times the total Com-

munity aid to developing countries. This statement comes at a time when British dairy farmers fear an inundation of milk from France and the sugar beet growers of East Anglia and Lincolnshire are complaining that they will be ruined by the cut-back in sugar production proposed by Mr Finn Gundelach the CAP Commissioner.

Impoverishing potential markets

These unwelcome effects of the CAP have to be seen alongside the prospect of economic recession in the industrialised countries. Policies which increase inflation in the UK and raises the return to farmers in the other member states,

while at the same time impoverishing potential markets for industrial goods in Latin America and other traditional food producing areas, appear to be ill-considered at the very least.

The working of the CAP may keep relatively inefficient farmers in W. Germany and France in affluence, but the real cost of this is the loss of markets for industrial products in the Third World.

This situation is a long way from the ideals of the founding fathers who saw the Community as a force for the expansion of world trade. While non-members have increased their trade with the Community in industrial goods the trend in farm products has been entirely the other way. In this day and age the agricultural producers in the rest of the Community cannot act as though they lived in a charmed circle bounded entirely by their own problems and preoccupations. The CAP is not only inimical to British agriculture but to the expansion of world trade generally.

Anti-Trust Jurisdiction

The UK is to introduce legislation to give companies and individuals some protection from the provisions of US anti-trust law. The aim will be to prevent US anti-trust judgments being enforced automatically in the UK. There will also be tighter control over the type of information which is provided to the US authorities when they are carrying out investigations under the terms of their own law.

The Bill reflects concern by successive Governments at US attempts to impose on other countries its own domestic regulations. It is in line with protective steps taken by several other Governments, including Australia.

There are two major problem areas. First, the attempts to bring foreign companies to trial before US courts for actions taken outside the USA. Secondly, the attempted application of US law not only to companies active in the USA but to subsidiaries and affiliates not trading there.

It will also prohibit in the UK the enforcement of a range of US Court judgments including those involved with

anti-trust. Once the criteria for prohibition are laid down, the matter of enforcement will become a question for the Courts. Shipping is the immediate cause of the Government's decision to bring in this legislation.

Too Many Accountants?

Poland, with a population of 35 million – approximately two-thirds of that of the United Kingdom – has a quarter of a million accountants, according to Professor Alicja Jaruga, head of the department of accountancy at the University of Lodz. It is at least a partial relief to learn, from a recent article written by Professor Jaruga for the Institute of Chartered Accountants of Scotland, that this number includes 'those employed in the financial and accounting departments of enterprises, including book-keepers, cashiers, financial planners and clerks'.

Some four-fifths of this all-embracing profession are women, though the proportions are reversed at the higher levels. More than two-thirds of Poland's 'state authorised' practitioners (CPAs) and chief accountants are men.

The Curate's Egg of ED24

by Professor ADRIAN BUCKLEY, MSc, FCA

The theme of this commentary is that ED24 represents an unacceptable, logically dubious, accounting expedient. The incorporation of a gearing adjustment, which can theoretically only flow from a method of accounting in which purchasing power is the unit of account, into a system of current cost accounting – with money as the unit of account – is a contrivance which is in direct opposition to rational accounting. Its evolution reeks of compromise which has its roots in the conflict between the different approaches of ED8 and the Sandilands recommendations.



I cannot help thinking that if the method proposed in the exposure draft ED24 finds its way into a standard, then it will be under continuous attack for its lack of logic – a cross which accounting has borne, quite justifiably, for far too long. On the topic of price level accounting, the ASC has been looked to as a leader by the profession in the western world. This respect seems destined to disappear if the committee presents simplistic, compromise solutions which fly in the face of logic. Surely this leadership role would be firmly established were the ASC to point itself in the direction of the Holy Grail of inflation accounting – namely, a theoretically sound approach which, at the same time, meets the needs of users of financial statements.

Deflected from this goal

Looking back over the recent history of accounting for price changes in Britain shows that the ASC has been deflected from seeking this goal – a prize that seemed within its grasp in its early deliberations on inflation accounting. The ASC's original formulation, ED8 [*The Accountant*, January 11th and 18th, 1973], was theoretically sound and aimed at producing information which was thought to be useful to users of financial statements. Purchasing power was the unit of account.

The Sandilands Committee's solution was equally logical theoretically, but with money as the recommended unit of account. Current cost accounting, as conceived by Sandilands, dealt with specific price changes – not with general inflation. Both ED8 and the Sandilands approaches were internally consistent, rigorous and theoretically sound – the difference lay in the choice of the unit of account.

Thin end of the wedge

Following initial acceptance of the Sandilands Report, the ASC was presented with a problem since it was charged with implementing a series of proposals very different from its own brain-child. Its ED18 [*The Accountant*, December 2nd, 1976] remained loyal to money as the unit of account but it incorporated a statement showing the effects of changes in the value of money, a *cri de coeur* from ED8. With hindsight this can be seen as the thin end of the wedge. It was the genesis of

compromise which diverted the ASC from its accounting goal. Reporting via the mixed unit of account became institutionalised with the advent of the Hyde Guidelines, and ED24 compounds this accounting heresy.

The traditional curate's egg was 'excellent in parts' and bad in others. So why is ED24 a curate's egg? So far I have concentrated on what I view as the bad parts; now for the virtues.

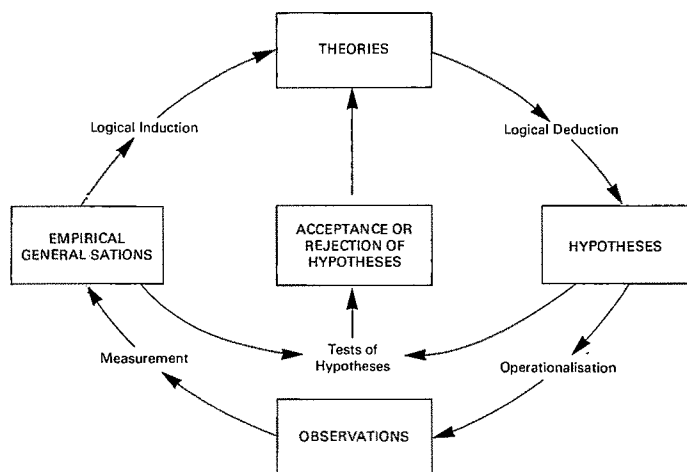
ED24 requires the publication of a CCA balance sheet – which the Hyde Guidelines did not. This enables analysts to focus upon a return on capital employed figure – CCA return on investment – which is so much superior to the historic cost variety. CCA ROI is obtained by contrasting current cost operating profit with operating assets. This latter datum requires, of course, the elimination of surplus assets from the ED24 balance sheet – clearly the exposure draft could be improved in this respect. Management accounts which incorporate CCA ROI with cash generation figures are, incidentally, a vast improvement on those with which most managers are familiar.

Inferior and less meaningful

From the standpoint of price level accounting, ED24 also has the virtue of showing entity profit and equity profit. These are respectively termed current cost operating profit and current cost profit attributable to shareholders in the exposure draft. But the calculation of the gearing adjustment required to arrive at the latter is surely inferior and less meaningful to that in the old CPP provisional standard.

If the objective is to acquaint analysts with an organisation's entity profit and its equity profit, this can easily be done by theoretically sound methods. All that is required is the publication of CPP figures as well as CCA figures. This is now being recommended by the Financial Accounting Standards Board in the USA in respect of the country's largest 1,300 or so companies. Such a policy is not particularly expensive, and financial analysts are nowadays far too sophisticated to be misled by such dual data requirements.

But most valuable of all, requiring the incorporation of CPP as well as CCA figures into published financial statements would surely provide the wherewithal to test empirically the virtues of these alternative methods of price level accounting. From theorising, hypotheses would be generated.



Here, the hypotheses concern the abilities of alternative methods of price level accounting to provide information germane to users of financial statements in making investment decisions. Observations based on actual experience would be obtainable to enable generalisations to feed back into an empirical theory of price level accounting. This procedure, summarised in Exhibit 1*, would adhere to sound social science methodology – inasmuch as there is such a thing since existing approaches are being challenged; however, no universally acceptable alternative seems yet to be forthcoming.

The adoption of such a policy would surely return Britain to the forefront of price level accounting – a position that it is rapidly losing by the ease with which the profession seems willing to accept theoretically doubtful expedients.

* Adapted from Walter Wallace, 'An Overview of Elements in the Scientific Process', from *The Logic of Science in Sociology*, Aldine-Atherton, 1971; and from H. W. Smith, *Strategies of Social Research*, Prentice Hall, 1975.

The Parting of the Ways

by WILLIAM L. I. NEWMAN, ACMA

There was a light tap on the door, and at first I thought that the mice had returned. The tap was repeated, a little louder this time, and I realised that someone wanted to see me.

As my secretary was away on holiday and I had no protection from unwelcome visitors, I debated for a moment or two the desirability of remaining silent. My curiosity however got the better of me. I slipped Benham's *Economics* back into the bookcase and called out 'Come in' in a gruff voice.

The door opened, and to my surprise Wendy walked into the room. Wendy, the Costing Section's most recent acquisition, had been with us for just over six months. She was young, pretty, very enthusiastic and her work had already earned her 'rave' notices.

She looked nervous, however, as she stood in front of my desk and I immediately asked her to sit down. She did so gratefully and crossed and uncrossed her legs six times before she was able to relax.

I offered her a Polo mint, which she declined, and then asked 'Can I help you?'

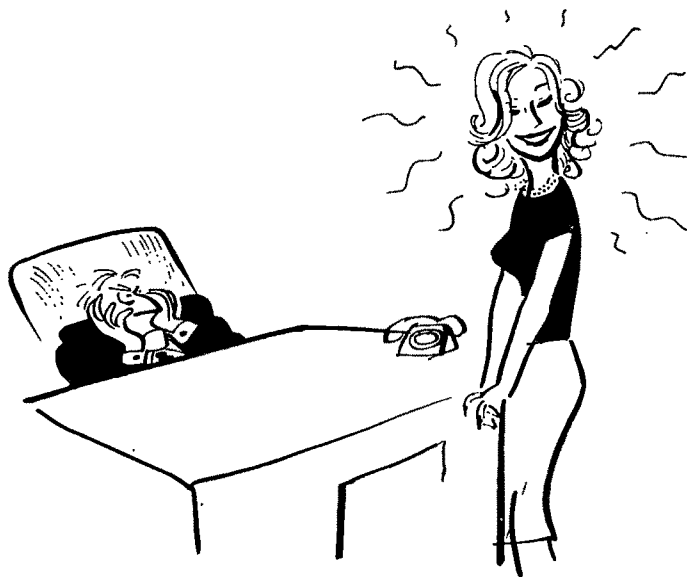
'It's my husband . . .' she declared hesitatingly and then stopped as though she was expecting me to guess the rest of her story.

'Has he left you?' I asked bluntly after a long pause.

'Good Heavens, no!' she retorted, her cheeks glowing pink at my outrageous suggestion.

'What's the matter, then?' I said, wondering if she'd mistakenly assumed me to be a spare-time marriage counsellor.

'He hasn't got much work at the moment' she explained. She



She seemed to be radiating happiness . . .

then sighed heavily. It was as if a great burden had been suddenly lifted from her shoulders.

I still didn't fully understand her problem and said so.

'He's a plumber, you see, and people aren't ringing him up any more. It's very worrying and we're having trouble making ends meet' she continued, dabbing at her damp eyes with a diamond-patterned handkerchief.

At last I understood. She was, in a roundabout way, asking for a rise. I smiled at her sympathetically.

'There was, if you remember, a verbal agreement that my salary would be reviewed at the end of my first six months' she reminded me forcibly. 'And I wondered if you'd come to a decision yet.'

I hadn't and I wouldn't. Although the Costing Section was supposed to be my responsibility, all personnel and salary matters were dealt with by the Chief Accountant himself. His management style was delegation without authority and, like most bureaucratic methods, it didn't work very well.

'I'll see the Chief Accountant about it tomorrow' I promised, 'And then I'll report back to you later in the week.'

'Thank you very much' she replied, smiling sweetly at me. 'I just *knew* you wouldn't let me down.'

I watched her walk out of the office and then arranged to see the Chief Accountant first thing in the morning.

I arrived two minutes early for my appointment and when he asked me to sit down I should have realised that there was something seriously wrong.

'You wanted to see me about Wendy' he declared coldly, trying to pluck a surplus hair from one of his bushy eyebrows.

'Yes, she came to see me yesterday' I explained hastily, 'Apparently her husband is on short time and they have financial problems. She wanted to know if we are going to review her salary in the immediate future.'

'Well, in a sense we are' he replied enigmatically.

'She'll be very pleased to hear it' I exclaimed in relief.

'She's got the sack' he declared brutally.

'That's good' I replied automatically. I hadn't listened to what he'd said.

'I said she's going to get the *sack*!' he repeated in a very loud voice.

I stared at him in amazement. 'But that's not possible,' I retorted.

'I'm afraid it is' he declared. 'The Research Director and I have just finished drawing up a list of redundancies, and her name's among them. She's the only one in your department, as a matter of fact, and I was going to tell you about it next week. Unfortunately you've forced my hand. She's got to go at the end of the month.'

'But why?' I protested vigorously. 'She's an excellent worker. One of the best girls that we've got.'

'It's the rule' he explained simply and without feeling. 'Last in, first out.'

Unfairness of life

I groaned as I reflected once again on the unfairness of life.

'When are you going to tell her?' I then asked. For once I approved of his style of management.

'I'm not; you are' he replied, giving me an evil grin.

'But you always deal with salary matters', I exclaimed despairingly.

'I think that it's about time I delegated some authority' he declared smugly. 'Handle this with tact and diplomacy, and you could find yourself destined for higher things.'

I couldn't argue with his logic but I made sure I slammed the door behind me as I left the room. I deliberately avoided seeing Wendy for three days and then late on Thursday afternoon she pinned me down.

'I really must see you as soon as possible. It's very urgent' she declared breathlessly as we inadvertently bumped into each other in the corridor.

I was trapped and knew it. I had no choice but to invite her back to my office.

'Sit down, I've got something to tell you' I informed her miserably. She seemed to be radiating happiness and it was making my unpleasant task ten times more difficult.

'You must have thought it *awful* of me coming to see you like that the other day' she commented shyly, ignoring my statement completely.

'I've seen the Chief Accountant . . .' I said, trying to break the news to her gently.

'I'm sorry' she exclaimed, 'I didn't mean to put you to all that trouble. Especially now that it doesn't matter.'

'Doesn't matter? What do you mean?' I asked, staring at her hopelessly.

'I've been trying for the past two days to tell you. Arthur and I are emigrating to Australia next month' she informed me excitedly, 'I'm afraid I've got to hand in my notice. I'd like to go at the end of the month, if I may? There are so many things to arrange. Will the company manage without me?'

'Just about' I replied, smiling broadly with relief. I then offered her my congratulations and thanked her for all the hard work she'd done for us.

'By the way, would I have got my rise?' she asked, as she paused in the doorway.

'It's a company secret' I replied, keeping my fingers crossed under the desk. She smiled, accepting my answer, and walked breezily away.

The day after Wendy left, the chief accountant called me into his office.

He seemed very pleased with himself and handed me a large cigar. 'You handled that very well' he said, praising me warmly.

'Thank you' I replied modestly, 'I can say with all honesty that she was happy to resign.'

'Good, good' he exclaimed. He then produced a sheet of paper and said, 'In the light of the current economic situation the Research Director and I have had to draw up another list of redundancies. I'm afraid there are six more people affected in your department and as you handled Wendy's case so tactfully I'd like you to inform them as well . . .'

Although I wished hard and loud, the ground refused to swallow me up. There was to be no escape. Through my own foolishness I'd become the chief announcer of the parting of the ways.

John Foord
chartered surveyors
plant and machinery valuers



SPRING TERM PROGRAMME 1980

The following courses will be offered by CUBS during the Spring Term 1980 and further details may be obtained by completing the tear-off strip below. The dates given are provisional and subject to alteration.

FINANCE AND BANKING COURSES

The City and the Provision of Funds for Industry: 7-9 January (F6)

For senior financial executives, this seminar discusses the ways in which capital is provided by the City for industrial and commercial developments.

Understanding Company Accounts: 28-30 January (F41)

For business people generally, who require to understand the concepts and principles underlying the construction of company financial reports and accounts.

Banking and Financial Activities of the City of London: 11-22 February (F3)

For overseas bankers to give them an insight into the City as a provider of capital and associated financial matters.

Economics for Insurance Company Managers and Brokers: 25-29 February (E3)

This five day course is designed to give participants an introduction to basic economic concepts and the way in which domestic and international economic factors affect the Insurance and Financial Markets.

Money and Economy: 5-6 March (F44)

This is a course for financial directors and company treasurers to discuss current trends in the economy and their effect on money flow, borrowing requirements and interest rate and exchange rate movements.

LAW COURSES

Company Law Reform: 14/21/28 January and 4 February (L11)

A series of four evening seminars for lawyers, accountants, company secretaries and other higher business executives. Changes in Company Law and Industrial Democracy will be considered.

Insolvency, Winding Up and Creditor Protection: 11/18 February and 3/10 March (L10)

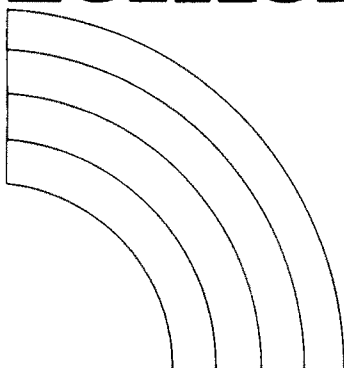
A series of four evening seminars for lawyers in business and practice and accountants. The Insolvency Act 1976 will be dealt with after a general survey of the law of bankruptcy and company winding-up.

.....
To: The Marketing Manager, CUBS, Gresham College, Basinghall Street, London, EC2V 5AH
(Ref. ACC)

Please send me further details on the course(s) I have ticked below:

F6 ☐ F41 ☐ F3 ☐ E3 ☐ F44 ☐ L11 ☐ L10 ☐

Tomorrow's plans today



The worldwide Skandia Insurance Group has expanded its UK operations in the life and pensions markets. Skandia Life offers sophisticated and tax efficient plans to meet the needs of

- ☼ the self-employed
- ☼ the Company director
- ☼ the regular saver
- ☼ the lump sum investor

As these needs will inevitably change the plans can be adapted each year to meet the new circumstances.

What's special about Skandia Life?

- ☼ The balance between investment and protection can be adjusted each year as needs change.
- ☼ Life assurance benefits can be inflation proof — without further medical evidence.
- ☼ Investments can be Unit Linked and/or on a Guaranteed Basis.
- ☼ Especially favourable treatment for the larger investor — up to 105% allocation.
- ☼ For lump sum investors — the Flexible Investment Bond, which offers additional allocations every 5 years and life cover to meet particular needs.
- ☼ Top market rates offered by the Skandia Guaranteed Income Bond and the Skandia Guaranteed Growth Bond.
- ☼ Investments with Skandia Life are managed by the Bank of Scotland.

 **SKANDIA LIFE**

For more details, contact your Insurance Broker or telephone Hilary Whalley on 01-353 8511 who will put you in touch with an Insurance Broker in your area.

A cause clients will understand

IF YOU'VE never had anything, you never miss it. But if you've known a reasonable standard of living, imagine the horror of reduced circumstances. We help people who have practically nothing — except memories of happier times in a happier age. Many of your Clients will understand and will sympathise with what we are trying to do. Many of them, if you suggest it, might like to remember us in their Wills or with a Covenant. After all, what greater gift can there be than giving another elderly person something to live for?

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE · VICARAGE GATE · KENSINGTON LONDON W8 4AQ

"Help them grow old with dignity"

A.C.C.A. I.C.M.A. I.C.A. Guaranteed exam coaching from Metropolitan College.

A.C.C.A., I.C.M.A. and I.C.A. exams are never easy. With our proven home study courses you get all the help you need.

Over 50,000 passes and 1,500 honours or leading places in accountancy exams alone. So if you want to get on, *get our help*.

Courses include up-to-date helpful notes, test practice, expert tutorial criticism, invaluable self-examination questions and official professional publications where appropriate.

For our prospectus (it shows you how we teach and what we teach) send now: The Principal, Department ATA08, Metropolitan College, Aldermaston Court, Reading RG7 4PW, or call at the Metropolitan College Advisory Office, 4 Fore Street Avenue, London EC2Y 9DT. Tel: 01-628 2721.

Call in and see us at our LONDON ADVISORY OFFICE
Career Books, 4 Fore Street Avenue, London EC2Y 9DT
Telephone: 01-628 2721

Prospective students are invited to call for consultation during office hours (Monday-Friday, 9 a.m.-5 p.m.). After office hours, messages are recorded for the Advisory Officer.

FAST AIRMAIL SERVICE FOR OVERSEAS STUDENTS

Accredited by the CACC

Member of the ABCC

POST COUPON NOW!

To the Principal, Dept ATA08, Metropolitan College, Aldermaston Court, Reading RG7 4PW. Please send me, without charge or obligation, a copy of your prospectus.

Name
(Block capitals please)

Address

Post Code Age



Chance or skill?

The appellants ran a shooting gallery in partnership at Blackpool's Golden Mile. They disputed the decision of the Commissioners of Customs and Excise that the entertainment provided at the gallery constituted a standard-rated supply and claimed that it was exempt by virtue of group 4 of Schedule 5 to the Finance Act 1972, as the provision of any facilities for the placing of bets or the playing of any games of chance.

Note (2) provides that 'games of chance' are to have the same meaning as provided by section 52 of the Gaming Act 1968. They therefore exclude all sports, but include games of chance and skill combined. To determine whether a game 'played otherwise than against one or more other players is a game of chance and skill combined, the possibility of superlative skill eliminating the element of chance shall be disregarded'.

The Commissioners put forward three reasons why the supply was not exempt. The argument that the supply was a sport and was therefore excluded was abandoned. The argument that there could be no game where an assembly of players did not play a game in each other's presence was defeated by the wording of section 52. The argument that the supply was not a game of chance, but a game of skill therefore becomes the critical question to be determined by the Manchester VAT Tribunal.

The appellants admitted that small-bore rifle shooting required a substantial element of skill, but that this was nullified by the conditions which they imposed for winning a prize. The competitor was allowed four shots from a 15-foot range with a 0.22 calibre Winchester repeater to shoot at a bullseye 0.312 of an inch in diameter. The bullseye had to be shot out completely so as to leave no part of it showing within the inner. Only about 30 attempts out of about 18,000 each year were successful.

Of two experts, who had each had 25 attempts at the target, one had knocked

out the bullseye only twice and the other had failed completely. The groupings of the bullet holes on the targets, which were shown to the Tribunal, demonstrated the consistency of the rifle and the ammunition, which, the appellants argued, proved that success depended on something more than skill.

The Tribunal found that the game included an element of chance, derived from the necessity of shooting out completely a bullseye of a diameter of 0.312 of an inch with bullets which made a hole of only just over 0.22 of an inch. Having regard to the size of the bullet

and the diameter of the bullseye, the competitor had to shoot four holes centred on the circumference of the bullseye and just overlapping into the centre, so that their centres formed a square. The centre might then drop out through lack of support.

To achieve this would require a superlative degree of skill, considering the size of the bullseye, the tolerance available and the fact that four separate aiming points would be necessary to guarantee success. The positioning of shots so as to remove the bullseye completely would be a matter of chance. This appeal succeeded on its particular facts, but the Tribunal warned that the decision would not apply to all forms of small-bore rifle shooting.

W. & D. Grantham v Customs and Excise (MAN/79/102, October 31st).

Commissioners' Confusion

The appellant wrote to the Commissioners of Customs and Excise, asking for confirmation that the business courses and seminars which it ran were standard-rated supplies, and not exempt supplies by virtue of group 6 of Schedule 5 to the Finance Act 1972. It was made clear that the courses were intended to be profit-making and did in fact make a profit.

By a letter dated May 25th 1979, the Commissioners informed the appellant that such supplies were exempt under item 2 (b), a recent addition to group 6, which exempts supplies of 'training or re-training for any trade, profession or employment' when it is provided 'otherwise than for profit'.

The Commissioners considered that the supplies satisfied both conditions. In the first place, the appellant instituted established and promoted training courses, as well as promoting education in the principles and practices of management. Secondly, it operated 'otherwise than for profit' because it was a company limited by guarantee without a share capital and was obliged to apply all its income towards the promotion of its objects. Such a test of commercial enterprise was used to interpret the law because it was impossible to examine

each supply to determine the non-profit criterion had been met.

On receipt of this letter, the appellant served notice of appeal on the Commissioners who, in their statement of case, upheld the views expressed in their letter. However, after examining two invoices issued by the appellant in respect of its courses, the Commissioners wrote again, withdrawing their original letter and claiming that the supplies were standard-rated.

The appellant asked the London VAT Tribunal for a formal declaration, allowing the appeal on the ground that the Commissioners had admitted that their disputed decision had been wrong. The Commissioners, on the other hand, contended that as they had withdrawn their decision, the appeal could not be entertained and should be struck out. Alternatively they argued that the contents of their original letter did not amount to a decision against which appeal could lie to a Tribunal.

It was clear, the London Tribunal held, that the appellant was entitled to an order. In fact, this opinion had been shared initially by the Commissioners who had submitted a statement of case in reply to the notice of appeal. Their letter contained an unequivocal expres-

Revenue Report

sion of opinion, and such an expression amounted to a decision of the Commissioners with respect to 'the tax chargeable on the supply of any goods and services' in accordance with section 40 (1) (c) of the Finance Act 1972.

The most appropriate form of order would be for a stay of all further

proceedings, subject to the matter of costs. The appellant was entitled to an award of costs in its favour, since the Commissioners had withdrawn the disputed decision.

British Institute of Management v Customs and Excise (LON/79/159, November 7th).

Revenue Guidance Notes 'Internal Material'

There seems no immediate prospect that the Inland Revenue will agree to the release to their guidance notes to Inspectors of Taxes on the review of business accounts – even in an edited form – as requested by the Consultative Committee of Accountancy Bodies ('It All Depends What You Mean', *The Accountant*, October 4th). In reply to a recent Parliamentary question (*Hansard*, November 19th, written answers, column 68) Treasury Minister Mr Peter Rees replied as follows:

'The Inland Revenue issues comprehensive notes to Inspectors describing the structure and economics of various types of business to assist them in the evaluation and examination of accounts. Where relevant, the notes include information about buying and selling practices and prices and the significance of gross profit rate, as well as pointers to the reasons why there can be wide differences between the results of individual businesses.

'It is not the practice of the Inland Revenue to publish internal material of this kind'.

This refusal is the latest development following representations to their professional bodies by a number of accountants, who had found it difficult to reconcile an earlier denial of the existence of any 'official list' of anticipated gross profit margins (*The Accountant*, October 12th, 1978) with their own experiences in practice.

Taxation of Company Cars

The Institute of Taxation, in representations on the Inland Revenue discussion paper on proposed changes in the basis of taxation of company cars and other benefits in kind, declares its preference for a return to the principle of a return to the payment of remuneration in cash. 'We do not seek to encourage the provision of cars for employees', the Institute observes, 'except where cars are substantially required by the employee to perform his job. In these circumstances, we believe the employer should be free to choose whether to provide a car or to make some form of mileage allowance to an employee using his own car for business purposes.'

The Institute draws a distinction between three categories of company car user: the essential user who would be incapable of performing his duties without a car (where, for example, public transport is inappropriate or because of the necessity to carry tools or product samples), the high-mileage user, and the employee whose use of a company car is predominantly a perquisite or a reflection of status. Further, while the Institute recognises the serious practical problems in introducing a tax charge on non-cash employee benefits to those earning less than £8,500 per annum, it observes that it has never been able to discern any justification in equity for imposing such an earnings threshold.

'To avoid these problems completely', the text runs, 'it is suggested that the position be allowed to remain as it is, with inflation eroding the anomaly over time. However, if it is considered essential to raise some revenue from this class of car user [those earning less than

£8,500 per annum] the problems could be mitigated by a practical compromise.

'A substantial proportion of cars provided for those earning less than £8,500 would be essential user cars – particularly in companies with large fleets on whom the additional administration burden would fall hardest. It is suggested that, where an employee had demonstrated that he was an essential user, he should be exempt from tax completely. If he changed his role or company, he would be required to demonstrate essential user status again for the exemption to continue. Non-essential users earning less than £8,500 would be taxed in full.'

The Institute also sees significant administrative problems if all the proposals in the discussion paper were to be introduced at once, and suggests that a three-year phasing-in would be preferable.

DOUBLE TAXATION

Italy

Discussions are to be held between Inland Revenue and Italian officials with a view to the negotiation of a new double taxation convention covering capital transfer tax and the equivalent Italian duties. The proposed convention would replace the death duties convention at present in force which has operated since 1968.

Representations about the convention are invited and should be addressed in writing to, Policy Division (Capital Taxes), Room F1, West Wing, Somerset House, London WC2R 1LB.

DOUBLE TAXATION

Finland

A Protocol amending the double taxation convention between the United Kingdom and Finland was signed in London on November 16th, 1979, and is subject to approval by the House of Commons.

The principal change made by the Protocol concerns the treatment of dividends paid by UK companies to Finnish direct investors. The full text of the signed Protocol will be laid before the House of Commons in due course and published as a schedule to a draft Order in Council.

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required — Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.



Topcare Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

AUDIT

P.A. TO PARTNER, WC2 to £8,500
A young A.C.A. is sought to assist Partner responsible for training and technical development within this well established medium/large practice. Future prospects unlimited.

SENIOR (City) £GOOD
Charities Dept. of well established firm requires a mature person for this dept. to handle auditing and accountancy work.

NEWLY QUALIFIED, W1 £Negotiable
Well known West End practice seeks recently qualified A.C.A./A.C.C.A. with experience gained in medium-sized firm.

SENIOR, EC2 to £8,500
Large International firm requires lady/gentleman used to dealing with the audits and accountancy of small businesses. Many similar positions.

UNQUAL. SENIOR, EC4 c. £7,000
Our clients are a large practice who require an experienced person for one of their specialist departments.

SUPERVISOR, EC2 c. £8,000
This National firm require a young A.C.A. for their Personal Services Dept. and can offer a first class career within the firm.

FINALIST, EC2 £Negotiable
Very suitable post for a PEII finalist who seeks varying and interesting work within a congenial medium-sized practice.

SENIOR/SEMI-SENIOR, W1 £5,000-£8,000
Medium-sized firm in the heart of the West End seeks experienced Audit staff, Preferably, but not necessarily qualified.

P.A. TO PARTNER, EC2 to £9,500
An A.C.A. with some post qualification experience is sought by this medium-sized firm.

AUDIT MANAGER, WC1 c. £9,000
Very interesting post with small/medium-sized firm in Holborn area.

MANAGER/P.A., W1 £8,000 + car
Qualified person with experience of medium-sized firm is sought by this rapidly expanding West End firm.

SENIOR, SW1 £GOOD
Very good future prospects exist with this substantial practice for either a recently qualified A.C.A./A.C.C.A. or unqualified person with several years' experience.

TAX

CO. TAX SENIOR, W1 c. £9,500
Large commercial Group in the West End seek a well experienced person to deal with solely corporate taxation.

MANAGER (PERS), EC2 c. £8,000
This small friendly firm require a lady/gentleman who is well versed in Personal Taxation.

SENIOR, EC2 c. £7,500
Very suitable for someone who prefers to deal with a mixture of both personal and corporate tax. Medium-sized firm.

SEMI-SENIOR, W1 £6,500 +
Medium-sized firm urgently seek a lady/gentleman with previous professional office experience.

ASSISTANT, EC2 to £6,500
To handle personal taxation only. Reporting directly to the Tax Manager of this medium-sized practice.

SENIOR, EC2 c. £7,000
Old Established City practice seeks a mature person with several years' experience of personal taxation.

SEMI-SENIOR, NW1 c. £6,500
Knowledge of company tax would be useful although not necessary. The ability to advance is of prime importance.

SENIOR, EC4 to £8,500
Our clients seek someone with good all round tax experience which has been gained within the profession.

CO. TAX SENIOR, WC1 c. £8,000
Excellent prospects exist for someone with a few years' experience of Corporate Tax. Old established medium-sized firm.

NEWLY QUALIFIED, WC2 c. £7,500
International practice seeks recently qualified person who is keen to make a career in taxation.

TRUST STAFF

TRUST/TAX MGR, WC2 £8,000 +
Previous professional office experience in this field is essential. Large firm.

ASST. MANAGER, EC2 c. £7,000
International firm of high repute seek a lady/gentleman with good previous experience of trust accounting.

MANAGER, WC1 £8,000 +
National firm requires someone with previous professional office experience to set up and manage a new department.

SENIOR, WC2 c. £6,500
Good trust book-keeping knowledge required by this large firm.

PROVINCES

AUDIT STAFF

Aylesbury - Seniors - to £7,250
Bradford - Mngr A.C.A. - c. £7,000 + Car
Cheltenham - Unqual Senior - £NEG
Colchester - Senior - £NEG
Colchester - Semi-Seniors - £NEG
Derbyshire - Senior - c. £7,000
Helston - Senior. A.C.A. - c. £5,750
Hereford - A.C.A. Audit & Tax - £NEG
Ipswich - Fnst/A.C.A. - to £6,000
Kettering - Mngr A.C.A. - to £9,000, & Special Assignments Mngr.
Leatherhead - Semi-Seniors/Seniors
Leeds - Senior A.C.A. - £NEG
Leeds - Unqual Senior - c. £4,500
Lewes - Semi-Seniors, Seniors, N.Q.
Luton - Semi-Senior - £NEG
Newcastle - Asst Mngr. - £7,000 +
Northampton - A.C.A. - c. £6,000
Oxford - Senior - to £8,000
Portsmouth - N.Q. A.C.A. - £NEG
Reading - N.Q. Senior - £6,000
Ross on Wye - Mngr. P/ship - £NEG
Southall - Mngr. P/ship - to £8,000
Swindon - A.C.A. - to £7,000
Trowbridge - N.Q. A.C.A. - to £6,500
Wembley - Senior - to £7,000
Yeovil - N.Q. A.C.A. - to £6,500

TAXATION STAFF

Beaconsfield - Personal Tax - £5,000 +
Bedford - Mngr. A.C.A./A.T.I.I. - £NEG
Blackpool - Personal Tax - c. £5,000
Bradford - Personal Tax - c. £5,500
Evesham - Personal Tax - c. £5,500
Exeter - Personal Tax - c. £5,000
Farnham - Sched D & CGT - £NEG
Harrow - Corp Tax Asst. - c. £6,500
High Wycombe - Personal Tax - £5,000 +
Kettering - Mngr A.C.A. - to £8,500
Leatherhead - Tax Senior - £NEG
Lytham - Personal Tax - c. £5,000
Manchester - Personal Tax - c. £6,000
Manchester - Senior, A.C.A. - £NEG
Mitcham - Personal Tax - to £7,500
Petersfield - Learn Corp Tax - £5,500
Portsmouth - Assistant - c. £3,500
Rushden - Tax Asst. - c. £4,000
Weybridge - Personal Tax - c. £5,000

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write: better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * **BOOK-KEEPERS**
- * **ACCOUNTS CLERKS**
- * **WAGES CLERKS**
- * **MACHINE OPERATORS**

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676

118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441

Chartered Accountant U.K. Representative and Liaison Salary c. £8,500

We wish to recruit a young qualified Accountant who will be based in our Slough office with particular responsibility for liaising with clients of our overseas offices.

The successful applicant will deal with U.K. matters on behalf of our Geneva office and will deal with overseas clients on their visits to the United Kingdom.

The work will involve the preparation and audit of accounts of overseas companies and their subsidiaries and the successful applicant can expect to travel abroad on short assignments during the year.

The ideal candidate will have at least two years post-qualification experience working in a general Practice with good experience of auditing, taxation and the preparation of accounts from incomplete records. A knowledge of the French language would also be desirable.

Please apply in writing in the first instance to **D. W. Braxton, A.C.A., P.O. Box 408, 7 Place du Molard, 1211 Geneva 3, Switzerland.** Interviews will be arranged in the United Kingdom and there are ample opportunities for advancement in the U.K. or overseas.

PROVINCIAL OFFICES

NR. CARDIFF c. £6,000
— A.C.A. for rural practice. Partnership prospects —
GLOUCESTER c. £5-6,000
— Newly qualified/Finalist. Private firm —
Ring Cardiff office (0222) 371446

NOTTINGHAM £7,000
— Training Supervisor national practice —

NOTTINGHAM £7,200
— A.C.A. to train in corporate tax. Recently qualified audit/tax —
DERBY £6,500
— Manager local practice —
Ring Nottingham office (0602) 582939

SHEFFIELD £6,000
— Audit Senior medium size practice —

SHEFFIELD £6,500
— Audit Supervisor large firm —
Ring Sheffield office (0742) 738775

CRADLEY HEATH — Senior Audit staff — £5,000+ Car
WOLVERHAMPTON to £6,000

— Qualified/Unqualified Seniors —
DUDLEY — Assistant to Partners — to £6,000
WARLEY — Senior Accountancy Assistant — to £5,500
Ring Wolverhampton office (0902) 771975

EAST BIRMINGHAM to £5,500
— Unqualified Senior suburban practice —

WORCESTER £7,000
— Audit Senior, audit and preparation of accounts —

BIRMINGHAM CITY CENTRE to £8,000
— Audit supervisor 2-3 yrs P.Q.E. —

SOLIHULL to £8,000
— Supervisor/PA to Partner N.N.Q. —

COVENTRY £4,000-£6,000
— Specialist in accounts/tax N.N.Q. —
Ring Birmingham office (021) 643 6201

EAST MIDLANDS £9,000
— General Practice Manager national firm —

EAST MIDLANDS £9,000
— Assistant Tax Manager national firm —

LEICESTER £7,000+ Car
— Partner Designate local firm —

LEICESTER £6,500
— Newly Qualified major firms —

LEICESTER £5,000
— Experienced Seniors local firms —
Ring Leicester office (0533) 542693

LEEDS to £8,000
— Early partnership small practice. Initially —

HUDDERSFIELD to £8,000
— Training Officer Medium size practice —

BRADFORD to £8,000+ Car
— Audit Manager national firm —

LEEDS to £7,500
— Qualified Audit Staff growing practice —

W. YORKS to £8,500
— Systems Development Accountant management consultancy —
Ring Leeds office (0532) 38384

MANCHESTER c. £3,600
— Semi Senior to join new audit team in established practice —

SOUTH MANCHESTER to £4,500
— Senior for large and medium audit in expanding practice —

MANCHESTER £6,200
— Tax Senior good opportunity to develop company tax
experience —
Ring Manchester office (061) 834 9733

Accountancy Personnel Recruitment Specialists to the Profession

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

AUDIT MANAGER CENTRAL to £12,000
Medium/large firm are seeking the above. Preference will be given to someone with a large-firm background who has a good working knowledge of modern auditing techniques.

TECHNICAL AUDIT SPECIALIST W.1
c. £10,000+
Medium-large firm require above. Ideally someone with a large-firm background with ability to lecture. This is a designate position.

AUDIT MANAGER N.N.Q. CITY
c. £8,000+
Small rapidly growing firm are seeking the above. Must be prepared to be a 'shirt-sleeves' type and work within a friendly atmosphere. First-class Partners.

AUDIT SUPERVISOR CENTRAL £8,000
Medium/large firm are seeking the above. Ideally someone with a slightly larger type of background. Good firm, excellent offices, and first-class Partners.

AUDIT MANAGER SMALL AUDITS DEPT. CITY
c. £8,500
Medium/Large Firm are seeking the above. Ideally they need someone with a working knowledge of Co. Secretarial, Liquidation and Receivership work. This is an old-established Firm who are in a strong growth rate at the moment.

COMMERCIAL
Bought Ledger Supervisor. City company. £6,000. Good fringe benefits. 30-35.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

Supervisor for Tax Department

required by Chartered Accountants in High Wycombe. Work involves all aspects of personal taxation and includes Schedule D and some Corporation Tax. Pleasant modern offices in Town Centre. Training facilities available. Good salary according to experience and qualifications. Send personal details to - David Johnston, Armitage & Norton, 39 Castle Street, High Wycombe or 'phone High Wycombe 38016.

WEST END

Chartered Accountants

We are a rapidly expanding firm who require the following ambitious accounting staff:

1. A newly qualified person who is ready to assume a high level of responsibility, and capable of working on their own initiative, with the aid of junior staff.
2. An unqualified senior who has had more than three years practical experience.

Both positions secure a high salary level with prospects of promotion within the firm.

Please telephone or write **Alan Gerroll, FCA, ATII, 935-2964, Bloom Weinberg & Co., 69, Wimpole Street, London W1M 8ET.**

PUBLIC PRACTICE

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+ - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

ACCOUNTANT. - Qualified/unqualified with own car able to work on own initiative required by sole practitioner. C. £6,500. - Jack Bright & Co, Barclays Bank Chambers, 41 Newington Green, London N16.

AUDIT SENIOR ST. ALBANS

We are an expanding Chartered Practice with a wide range of clientele. We require an audit Senior qualified by examination or experience to take direct responsibility for the preparation and audit of corporate accounts. - Apply The Staff Partner, George Arthur & Co, 36 Lattimore Road, St. Albans.

ACCOUNTANT required by small firm of chartered accountants, not necessarily qualified but experienced in incomplete records and small company audits. £6,000+ - Telephone Ashford (Middlesex) 53009.

ALL LEVELS OF STAFF required by West End chartered accountants. Good prospects and working conditions. - 01-387 0096.

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-642 7438 (24-hrs) (Emp. Agcy).

BOOK-KEEPER with car prepared to call on clients required for 20-25 hours per week. Salary negotiable. - Jack Bright & Co, Barclays Bank Chambers, 41 Newington Green, London N16.

TAX ACCOUNTANT CITY BASED

Fitzhoward Todd, leading specialists in the field of personal and corporate taxation, urgently require ambitious tax planner with lively and inquiring mind for their City office. A.C.A., A.C.C.A. or A.T.I.I. preferred, but enthusiasm, flair and imagination in their work is more important. Remuneration package commensurate with experience and potential.

Please write with full personal and career details, marked Private and Confidential, to:

**Alan Sharp, Director of Client Liaison
Fitzhoward Todd, Hillgate House
26 Old Bailey, London EC4M 7HS**

Personnel Resources Limited 01-248 6321

Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act.

Our service to applicants is personal, confidential and free

COMMERCE • PRACTICE • INDUSTRY • PRACTICE • COMMERCE

£8,000 to £25,000 p.a. **The Unadvertised Positions in** **the Accountancy Profession**

■ **THE SERVICE RMA** are acknowledged specialists for Practice Merger, Association, Disposal, Dispute and Counselling, nationwide. As a result of our success and close links with Principals we are entrusted with many unadvertised and exceptional opportunities for Partners, Managers, Specialists and seniors in public practice.

■ **TO APPLICANTS** The value of our service is that you will be able to review attractive possibilities without disclosing your identity or intentions – safeguarding your present position. Our service is completely free to all applicants and we suggest that nothing can be lost by contacting our Managing Partner in confidence immediately.

■ **TO CLIENTS** As the Partners, Managers and Specialists in any Practice are the key to profitability and growth, it is essential to have only professionals of proven ability in executive positions, remembering that in a service business, such as a professional Practice, the top people are the business. Confidentiality will be assured.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

BUSY EAST END PRACTICE requires junior staff. Varied and interesting work under experienced supervision. – Telephone 01-539 3775/4700.

CHARTERED ACCOUNTANTS N.W. LONDON require junior and semi-senior staff. Training contracts including transfers available in suitable cases. – Box CA 3084.

CORNWALL. – Accountants in Newquay require a young qualified senior, experienced in incomplete records and taxation, as assistant to senior partner. – Apply in writing to Whitaker, Redfearn, Pappin & Co, 5/7 Berry Road, Newquay, Cornwall.

FINCHLEY PRACTICE wants 3 semi-seniors – minimum two years' experience. Good training on audit, tax and accountancy – competitive salaries paid. – Brian Ingram Associates, 01-458 5313.

LONDON W.1
SEMI-SENIOR
£4,000-£6,000

Fast-growing firm with reputation for highly professional and innovative approach to clients requires ambitious staff interested in improving their knowledge and experience. Good in-house and external training. Informal pleasant office. For further details contact Lance Blackstone. – Box LW 7203.

NEWLY QUALIFIED C.A. – chartered accountants in vast expanding North London practice have a vacancy for a newly qualified chartered accountant. Young go-ahead firm with interesting and varied clientele, in-house computer, career prospects. – Reply to Kruger & Co, Chartered Accountants, King House, 60/64 Matthias Road, London N16 8NW. Telephone 01-249 8571.

Manchester Chartered Practice
require
CLERK
Experienced in Company and
Incomplete Records Accounts
Please write to Box MC 7206.

PERSONAL ASSISTANT, preferably qualified, required by two-partner firm of chartered accountants near Staines. Must be able to handle clients and deal with incomplete record jobs and small company audits without supervision salary to £7,250. – Box PA 3094.

PERSONAL TAX ASSISTANT required (semi-senior) by chartered accountants in City near Liverpool Street. – Tel. 01-247 9853.

PERSONAL TAX SENIOR

An experienced tax senior is required by a small Chartered firm in the West End. The position entails reporting directly to a partner and carries individual job responsibility.

We offer flexible working hours with a friendly atmosphere and a starting salary in the region of £7,500 p.a.

Please apply giving brief details in own handwriting to Smee Moore & Co, 50 Monmouth Street, London WC2H 9ES.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. – Box QO 6452.

NORTH WEST



**MANCHESTER
CHESHIRE
MERSEYSIDE**

to £10,000

Qualified or Experienced

CHESHIRE

S27 Manager, A.C.A. 27-35, for growing firm. In-depth knowledge of small practice work. Suit ambitious and able person seeking opportunity of junior partnership. **£7,000-£8,000**

S31 Manager with young expanding firm in town practice near Cheshire/Greater Manchester borders can offer sound career advancement with interesting and diverse range of commercial and industrial clients. **c. £7,000**

S217 Young A.C.A. as P.A. to partner with well-established firm seeking to broaden experience in informal but progressive office. **£6,000**

S258 Market town firm needs senior with all-round knowledge of private companies, farms and estates including interviews and Inland Revenue negotiations. Experienced person, 30-45. **to £6,000**

S133 Small country office Cheshire/Derby borders needs competent experienced senior to specialise in small accounts plus taxation. **to £6,000**

MANCHESTER

S246 Audit Manager, 28-35, with national firm at present holding responsible position and wishing to take responsibility for substantial audit and staff control without close supervision. High-calibre candidate only. **£10,000**

S187 Young manager for small independent firm offering wide range of experience and responsibility from sole traders to large private companies, from tax returns to back duties, from appeal meetings to board meetings, and from manager to partner. **c. £7,500**

S261 Tax Senior with national office. Suit recently qualified or experienced finalist. Preference will be given to applicants with current taxation experience wishing to specialise in planning and diverse corporate work. **£6,500**

S98 P.A. to Partner. Suit young finalist or recently qualified person offering opportunity of audits with smaller manufacturing and commercial companies. **c. £6,000**

S184 Senior with small chartered accountants, to specialise exclusively with small private companies, partnerships and sole traders. Plenty of scope for mature person, 30-45. **c. £6,000**

MERSEYSIDE

S270 Liverpool medium-sized chartered accountants need Audit Manager, 28-35, with some national firm experience. Good opportunity for specialised career development within progressive independent firm. **c. £7,000**

S38 National firm need recently qualified person for Liverpool office. Applicant with small-firm background wishing to broaden auditing experience and become acquainted with modern techniques would be ideal. **£6,000**

S217 Liverpool chartered accountants need newly qualified/Part II finalist as P.A. to partner with young progressive firm. Sole traders to family companies, also tax. **£6,000**

S22 Small town office, South Merseyside, needs competent small-practice expert with broad general tax background as senior to work on own initiative. **to £6,000**

S162 Small-practice specialist needed with Liverpool accountants. Own nucleus available with interview responsibility for clients and Inland Revenue matters, plus junior staff back-up. **£5,750**

WESSEX CONSULTANTS



2 PETER STREET
YEOVIL, SOMERSET
0935-25996/25183



HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

INVESTIGATION SENIORS

London

£8,000-£10,000

A major U.K. practice with a substantial range of both public and large private company clients is currently expanding its investigation department.

Candidates will be qualified A.C.A.s with previous experience of investigation work or alternatively will have had larger firm audit experience and an interest in pursuing a career in this specialist field.

The salaries offered will be dependent upon previous experience.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)

TECHNICAL DEPARTMENT

London

MANAGER

A leading national practice with approximately 2,500 partners and staff servicing in excess of 50 offices wishes to recruit a manager for their technical department in London

Ideally candidates will be 3 years qualified with an interest in spending a further two years in this department. The work involves both solving the day-to-day technical queries within the Practice submitted by various offices and dealing with 'one off' research projects - e.g. assessing the effect of European Law on the U.K. company.

It is envisaged that for the right individual future prospects within the Practice will be good. The salary and benefits offered are negotiable.

In the first instance, telephone or write to John Walker, F.C.A.

01-248 0441

HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ

HEWITSON-WALKER (TA

A TAX

wi

LEA

INTERNATI

£6,000 to

Our client, a leading international exceptional training opportunities qualified accountants and those with development in CORPORATE PERSONAL TAX.

Continued expansion within the prospects for:

TAX SENIORS a

in L

BIRMINGHAM

BRISTOL

In the first instance, telephone

01-24

HEWITSON-WALKER (T
1 SNOW HILL COURT,

ATION APPOINTMENTS)

CAREER

**a
ING
ONAL FIRM
£13,000**

of Chartered Accountants, offers
a challenging career to newly
rious tax experience, seeking career
5, PERSONAL TAX or U.S.

has created excellent promotional

TAX MANAGERS

ON

**GOW NOTTINGHAM
SOUTHAMPTON**

write to John Walker, F.C.A.

0441

**ATION APPOINTMENTS)
OW HILL, LONDON EC1**

**HEWITSON-WALKER
(PUBLIC PRACTICE
APPOINTMENTS)**

**AUDIT MANAGER
£15,000
c. 10-YEAR QUALIFIED**

A large London Firm with international reputation for specialist services in various types of industries has a need for an additional experienced audit manager.

Candidates will be qualified A.C.A.s with around 10 years' post-qualified experience, particularly of larger close companies. Experience of public company audit procedures would be an added advantage.

This position arises out of the expansion of the Firm's activities.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

**HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ**

**HEWITSON-WALKER
(PUBLIC PRACTICE
APPOINTMENTS)**

**TRAINING MANAGER
London**

A well-established City Firm with various associate offices in the United Kingdom currently wishes to recruit a Training Manager.

Candidates will be Chartered Accountants with a keen interest in organising and running courses for qualified and student members of staff. Previous training experience is not essential but would be an advantage.

Salary is negotiable dependent on age and experience.

In the first instance telephone or write to John Walker, F.C.A.

01-248 0441

**HEWITSON-WALKER (PUBLIC PRACTICE APPOINTMENTS)
1 SNOW HILL COURT, SNOW HILL, LONDON EC1A 2EJ**

QUALIFIED/NEAR QUALIFIED accountant required to manage small branch office at Worcester. Small flat may be available. — Please write fully to: Staff Partner, Smith & Co, West Lodge, Leominster, Herefordshire.

QUALIFIED ASSISTANTS required for expanding firm of chartered accountants shortly moving to new premises in Loughton, Essex. Attractive salaries offered. — Box QA 3086.

RICHMOND

CHARTERED ACCOUNTANTS

We are a forward-looking and expanding firm based in the centre of Richmond, Surrey, and are currently seeking to recruit an audit senior with one to three years' post-qualification experience. In addition, we are always interested in interviewing all grades of accountancy and tax staff, of above-average ability, who would welcome the challenge of a responsible job with variety of work and excellent rewards.

Apply to Mr D. O. Mitchell, Meeson Makinson, Ashley House, 18/20 George Street, Richmond, Surrey. Telephone: 01-940 6020.

RUGBY

WARWICKSHIRE

Chartered accountants require A.C.A. with wide experience in medium-sized practice. Salary negotiable. Pension, B.U.P.A. etc. — Apply Box RW 7195.

SENIOR AND SEMI-SENIOR clerks required by chartered accountants in City near Liverpool Street. — Tel. 01-247 9853.

SENIOR AUDIT ASSISTANT

Norton Lewis & Co have a vacancy for a competent senior. The applicant should be capable of handling work which will vary from small business accounts to medium-sized private. We are looking for someone with initiative, experience and an understanding of the work. The salary will be at least £5,500 pa, but we will be prepared to pay a much higher figure for the right applicant. — 246-248 Great Portland Street, London W1.

SENIOR AUDIT CLERK required for busy firm of accountants in London N.W.11. Experience, to include incomplete records and medium and large private companies' accounts. Age no barrier. Good salary. — Tel. 01-458 7427.

SENIOR PARTNER of small firm of chartered accountants based in Sutton, Surrey, seeks a personal assistant. Wide variety of work and salary of £8,000 per annum offered to a person with a minimum of 3 years' professional post-qualification experience. — Please reply to Box SP 3052.

SENIORS REQUIRED for branch offices in small market towns Shropshire/Welsh border area. Experience of incomplete records, small companies, taxation. Partnership opportunity. Age, qualifications, experience to F. L. Constable, Whittingham Riddell & Co, Ellesmere, Salop.

SMALL CITY FIRM of chartered accountants (Barbican area) require a person to act as audit manager responsible to partner. — Box SC 3057.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. — 01-405 4457.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee, required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. — Write Box AC 3077.

STUDENT taking certificate course required for practice near Euston, London NW1. Training given for computer accounting, audit and taxation under partners' supervision. Progressive salary. — Box ST 3097.

ARTICLES/TRANSFERS from £3,250. — Pembroke & Pembroke operate a national service. — Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

TRAINING CONTRACT is offered by a six partner firm in London W2 to students with an above average foundation course result. We are prepared to discuss future arrangements with students nearing the end of their course. Progressive salaries, course fee and study leave are all paid by the firm. Closely supervised training programme for exams. Practical training by partners. — Box TC 3078.

COMMERCE & INDUSTRY

Company Accountant

Putney Bridge. Not less than £9,000 p.a.

A qualified Accountant is required by an expanding firm of display and exhibition equipment manufacturers. Applicants should be between 25 and 40 years of age, and will be responsible for the production of monthly accounting statements, budgets, company secretarial duties, and supervision of the Accounts Department. Please write with C.V. to Crick Heitman & Company, 2 Clarendon Road, Ashford, Middlesex.

The College of Law Guildford

An Assistant Accountant is required by the college to work at its principle administrative centre in Guildford. Applicants for this established position need not necessarily hold a recognised qualification but should have had good experience in accountancy, preferably in a professional office. The duties, which are varied, range from the day to day running of a busy office to year end matters including final accounts. Some knowledge of salaries, pensions, VAT and computerised systems would be an advantage.

The college is situated in pleasant surroundings, salary will be negotiable and benefits include 5 weeks annual holiday, contributory pension scheme, free life assurance and BUPA. Write with full details, including age and present salary to: The College Accountant, College of Law, Braboeuf Manor, St Catherines, Guildford, Surrey GU3 1HA.

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

ACCOUNTANT CASHIER. — West Country solicitors with previous experience of solicitors accounts. c. £6,500. — Contact Wessex Consultants, 2 Peter Street, Yeovil, Somerset. Tel. 0935-25996/25183.

MANAGEMENT ACCOUNTANT NEW POSITION

Fully Qualified Chartered Accountant required by Multi-Disciplined Professional Practice, to take charge of all Financial and Accounting procedures.

The successful Applicant will have worked for a Public or large Private Company in a responsible position. He will be responsible for Financial Management, Forecasting and Record Keeping for the Practice. He will be required to introduce 'Computerised Accounting to the Practice' affairs in the near future. The post will probably be based in Birmingham, but may involve some travel abroad.

Salary: Circa £7,000, plus Car or Car Allowance.

Apply in writing with C.V. to:

**The Partnership Secretary,
QUEST International,
85 Smallbrook, Queensway,
Birmingham, B5 4HX.**

OFFICIAL APPOINTMENTS

UNIVERSITY OF WAIKATO
Hamilton, New Zealand

**LECTURER/SENIOR LECTURER
IN MANAGEMENT STUDIES
(ACCOUNTING)**

The University wishes to appoint a Lecturer/Senior Lecturer to undertake teaching and research within the Management Studies Department. There are also opportunities for visiting appointments in an Inflation Accounting Research Project. Applicants should have an honours degree in accounting and teaching experience, with special interest and competence in accounting theory. The Department's Inflation Accounting Research Project provides a special opportunity to pursue research interests in that field.

Salaries for university staff are currently: Lecturer NZ\$13,722-£16,861; Senior Lecturer NZ\$17,285-£19,780-£21,533 per annum.

Enquiries may be made in confidence to Professor G. J. Schmitt or Professor R. Peterson, in the University. Further information on conditions of appointment and method of application is available from the Registrar, University of Waikato, Private Bag, Hamilton, New Zealand, or from the Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF.

Applications close on 6 January 1980.

DO YOU HAVE DIFFICULTY IN WORDING YOUR ADVERTISEMENT?

**If so, may we help?
Ring 01-836 0832
Extension 30**

OVERSEAS

Textile Consulting Firm managing several integrated cotton mills (Spinning, Weaving, Processing) in Africa, seeks:

Financial Manager Chief Accountant

Candidates should be able to:

- Introduce a suitable accountancy system (Finance & Cost).
- Introduce and maintain all ledgers, stores accounting, payroll system and generally all books of accounts.
- Train local accounting staff at all levels.
- Prepare for the Board financial statements, cash flows, budgets.

Applicants with previous similar experience in a textile mill will be given priority.

Attractive salary and fringe benefits are offered.

Candidates should apply to:

TEXTILCONSULT S.A.
Case Postale 346 13
9490 VADUZ (Liechtenstein)

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. - Please reply to Box AB 6457.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. - For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

CERTIFIED ACCOUNTANT seeks GRF between £20,000 to £40,000 around SW. London/North Surrey/Middlesex Border areas. Initial subcontracting or other propositions welcome. - Box CA 3098.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. - Box CA 6460.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. - Box CA 6459.

CHELMSFORD CHARTERED ACCOUNTANTS require qualified chartered accountant with all-round experience to be involved in future development of fast expanding practice. Definite partnership opportunities within reasonable period. - Please reply in own writing giving full details of experience, salary required, etc. to Box CC 3058.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantages. - Please reply to Box CC 6461.

CITY FIRM of chartered accountants concerned to give a personal service to clients is interested in acquiring additional fee income from a practitioner wishing to retire. - Box CF 3079.

EAST LONDON CHARTERED ACCOUNTANT, sole practitioner, wishes to acquire block of fees up to £10,000. - Please reply to Box EL 3088.

EAST MIDLANDS CHARTERED ACCOUNTANTS. - Old established firm with several offices seeks association with national firm able to provide assistance in training and specialist operations. We can offer local representation using our experienced audit staff with international firm experience. - Box EM 3059.

FOR SALE. Block of audits and accounts, G.R.F. £25,000 (fifty clients) by Central London F.C.A. retiring from full-time practice due to other interests. Outright sale preferred with full co-operation to ensure continuity. Price £40,000. - Box FS 3049.

HARD-PRESSED SOLE PRACTITIONER in Barnet offers practice or block of clients up to £40,000 G.R.F. Any reasonable terms considered. - Box HP 3089.

PRACTITIONER requires practice/block in Gloucester/Forest of Dean/Hereford area. - Box PR 3080.

SMALL PRACTICE HARROW AREA. £12,000 G.R.F. Cash offers only. Office lease 21 years low rental if required. - Box SP 3060.

PROFESSIONAL SERVICES DIVISION

Our Professional Services Division was formed since we found that as recruitment consultants to the professions we were being asked to look not simply for partners but to assist with the acquisition, disposal and merging of professional practices.

We are now advising a large number of practices, both nationally and internationally, and we invite practitioners and firms considering sale, purchase, merger, association or representation to contact us for details of our service.

DENNIS CHATFIELD & ASSOCIATES,
WHEATSHEAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353 1307/8
01-353 5831

Practice for Disposal in Belfast with GF c. £20,000

■ **THIS IS A RARE opportunity to acquire a long-established practice which operates from well appointed offices near the centre of Belfast. The practice was founded at the beginning of this century and has continued to provide an attentive service to its mixed N. Ireland clientele.**

■ **THE AVERAGE fee is approximately £500 and the profitability is also very good. The vendor wishes to gradually phase out into retirement and is therefore willing to provide excellent continuity to preserve and promote the valuable goodwill.**

■ **A LEASE will be available and serious enquiries are invited from firms of substance and standing. It is envisaged that a lump sum will be agreed for the goodwill, half of which will be paid on completion and the balance spread over a period to be agreed.**

*Write in complete confidence to
D. J. Dormer as adviser to the Practice*

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

Acquisition/Merger Req'd in South of London or Surrey by City Practice GF £1m

■ **LOCATION.** A highly respected City firm of long standing now wishes to expand by means of a compatible acquisition or merger in the South of London/Surrey and will seriously consider blocks or practices in this area.

■ **OUR CLIENT.** With a partner/Staff complement of c. 100, GF over £1,000,000, strong and comprehensive city connections, a national clientele, advanced systems, valuable training facilities and excellent client acceptance, we feel that superb prospects exist for rapid personal, professional and steady financial advancement.

■ **OUR PROPOSALS.** If you are overworked, under capitalised or frustrated and wish full/partial withdrawal our client can offer an attractive capital payment of up to 1½ times GF depending on size and quality, with continuity. Alternatively should a merger, appeal, then generous personal and financial terms will be equitably negotiated and full recognition given to each partner's stature, professional ability and personal contribution.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000-£500,000. — Dennis Chatfield & Associates, Wheatshaf House, 4 Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

SMALL PRACTICE or block of fees required within 20 miles radius of Worcester. All proposals considered. — Box SP 3081.

SOLE PRACTITIONER (51) — F.A.P.A., F.B.A.A., situated Guildford area. G.F. £18,000. Welcomes discussions with a view to a merger or share services to a mutual advantage. — Box SP 3069.

SOUTH BUCKINGHAMSHIRE chartered accountants practice, established over 30 years for sale. Two full-time partners and one part-time together with secretarial staff. One full-time partner and one part-time partner retiring due to age. The remaining partner prepared to continue to ensure satisfactory continuity. Fees for current year approx. £45,000 including £38,000 recurring. Lease of more adequate office space at very low rental until 1989. Write in confidence preferably indicating basis on which prepared to negotiate the value to be placed on good will. — Box SB 3072.

SUBCONTRACT WORK

ACCOUNTANT with eleven years' experience in incomplete records, partnerships, large and small limited company audits and accounts, solicitors' correspondence and taxation. — Please reply Box AW 3061.

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6463.

CHARTERED ACCOUNTANT seeks subcontract work in Central or West London or Thames Valley area. Wide professional experience in all fields. Flexible arrangements. — Box CA 3073.

EXPERIENCED F.C.A. with small practice available for subcontract work two or three days per week. London area. — Box EF 3053.

F.C.A. seeks subcontract work in and around London area. Will collect and deliver. — Box FS 3090.

F.C.A. (33) seeks subcontract work. Small/medium company audit, incomplete records, tax, VAT, payroll preparation. Merseyside area. — Box FC 3054.

LONDON F.C.A. with wide practice experience available to assist practitioners requiring skilled professional assistance. — Box LF 3083.

GREATER MANCHESTER. — Sub-contract accountant requires work. Extensive experience in sole traders, partnerships etc, and all relevant taxation matters. High standard of preparation guaranteed, at reasonable rates. Prompt collection and delivery. — Box GM 6464.

SITUATIONS WANTED

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. — All replies to Box AC 6466.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. — Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. — Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

BOOK-KEEPER, QUALIFIED (60) with car requires part-time work in East London and South Essex. — Telephone 0702-335823.

PART QUALIFIED young man with seven years' professional experience. — Box PQ 3074.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS
Available on **SELF-EMPLOYED TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.
PRACTITIONERS SERVICES BUREAU
Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5
Freelances and Job Applicants required also.

TRAINING CONTRACTS

C.A. STUDENT (21), passed Foundation course in July 1979, seeks transfer with medium/large firm. — Please write Box CA 3091.

SERVICES

ALAN CREDIT SERVICES credit control system specialists.
Debt Collections, Tracing Service, Status Reports, Company Searches, Insolvency Department — Full U.K. & Eire service.
Also via our associates — Full U.K. & Abroad Trade Mark Searches & Registrations.
Full Consultancy service in Patents, Reg. Designs & Copyrights.
36 WIMBLEDON HILL ROAD, LONDON SW19 7PA
01-947 2829 Telex 925191

COMPANY FORMATIONS

A BACKED SERVICE. — Limited companies formed or ready made. — Clifton Secretarial Agency, 49 Green Lanes, London N16 (01-359 3387).

COMPANY SEARCHES. — Prompt and reliable personal service at moderate rates. — M. & D. Searches, 19 Manorgate Road, Kingston-upon-Thames. 01-546 1471.

READY-MADE COMPANIES available now, also formations, etc. — Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

SMALL TRADERS. — We are an accountancy service specialising in tax returns and all aspects of general accounting for the small business. We can collect and deliver in the London area. — Contact Business Accounting Services, 621 Commercial Road, London E.14.

ANNUAL RETURN — COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ
Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex. 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex. 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER CONSULTANTS

Alan Duck and Associates Ltd

Circle House South, 65-67 Wembley Hill Road, Wembley, Middx. Tel. 01-903 6455

Specialist Areas: Feasibility studies, cost/benefit analysis, assistance with computer selection and implementation.

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas — suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS — An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd — Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol. The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5.
Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Services Directory

MPL Computers Ltd

Kingsditch Lane, Cheltenham. Tel. (0242) 37636

Suppliers of mini computers and financial programme packages. Designed for professional accountants and their clients.

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554

Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex. 8813082

Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663

Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892

Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms: 27 Montpelier Vale, London SE3. Tel. 01-318 4394

Advice-Sales-Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321

Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES - COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Practitioners can, in association with us, provide management information with ease and profitability to clients. Cash flows, profit forecasts etc.

FINANCIAL PLANNING SERVICES

Alan Smith, Aston & Partners Ltd

94/96 Newhall Street, Birmingham. Tel. 021-236 0891
Managing Director: T. A. Smith, B.Com., F.C.A., F.P.M.I.

Self-administered or Insured Directors Pension Schemes
Tax-efficient investment for income and/or growth.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353
Telex. 264420. Contact Michael Southgate

Service to Industry, Press/Stockbroker/Shareholder
Relations, Annual Reports, Reporting to Employees

FINANCIAL TRAINING

Mobile Training & Exhibitions Ltd

Imperial Buildings, 56 Kingsway, London WC2B 6DX.
Tel. 01-242 3067

CPE accredited courses for accountants. Public seminars,
audio visual and in-house financial training.

INFORMATION MANAGEMENT SERVICES

LMR Computer Services 54-70 Moorbridge Road,
Maidenhead, Berks SL6 8BN. Tel. (0628) 37123

On-line information update, enquiry, analysis selection and
reporting. Linked with text processing and document
production. Mailing, personnel, property, sales
administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA
Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336
(Ring, write or call)

Household and personnel effects and luggage collected,
packed and shipped world wide by bonded member of the
British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788

Specialist supply of all types of equipment and consumables
to Practitioners. Agencies with all major suppliers,
discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE
Branches: 61-63 Beak Street, London W1R 4JA

186 Fleet Street, London EC4
Tel. 01-439 8331/7

Furniture - Stationery - Typewriters - Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE
Services. Includes the 'normal' reports and additional
schedules for financial accounts and monthly control.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB.
Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh,
Manchester and Dublin.

Independent consulting actuaries with offices
throughout the United Kingdom advising and acting
for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH
Tel. Long Stratton (0508) 30324 and 30488

Norfolk and Suffolk. Professional Investigators,
Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants
in UK and EEC. Publishers of 'Prices and Fair Trade
Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford,
Middx UB6 8DW. Tel. 01-998 8888. Telex. 935109
(Open 7 days a week)

Specialising in office, commercial and factory removals.
Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB
Tel. 01-439 6007. Telex. 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA
Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone:
offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Based on our considerable experience, we can advise the
Practitioner on how to cut through the morass of new
technology to obtain higher profitability and greater
efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London EC4N 6AE. Tel. 01-248 4277.

Members of the Stock Exchange, established 1852.
Can offer facilities for the private and professional
investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX
Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular
valuations and reviews. Personal partner supervision.
Please contact Mr J. A. D. Skailes, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London
EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and
international portfolios, including those of private
individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage
Gardens, Manchester M60 3AH. Tel. 061-834 2332
Telex. 667783 and London

Service include regular reviews, financial planning,
pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street,
Plymouth, 30 Milsom Street, Bath, 16 Southernhay West,
Exeter

Valuation and rating surveys, consultants to caravan and
leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green,
Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes
of alterations, improvement and repair, design of new
building, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow
Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of
industrial/commercial groups including machinery and
plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561
(and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation
and Estate Agency, including valuation of Company assets
for all purposes

TAX ASSESSMENT - COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated service to monitor tax payments due,
and overdue accumulating interest. Register and payslips
prepared fortnightly. Permanent tax schedules prepared

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and
records, plus dictation. Also new range of Automatic Diallers

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA
Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU
Tel. 01-836 1840 and 01-836 1923

All languages — all deadlines

What's the fastest way to form a company?

With over 100 experienced people on our staff and around 700 ready-made companies on our books we can offer you an unbeatable turnround on company formation and a far broader range than anyone else. Perhaps that's why we've formed more companies than any other company?

For a quick reaction simply call David Hodgson in London on 01-253 3030 or Michael Counsell in Bristol on 0272 32861.

Jordans

We always come up with the answers

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETLEBURGH LIMITED
140, 141 TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON EC4Y 0HE. Tel. 01-353 1441
Ring any day - any time - 24 hour service

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for

immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. Own names registered from £81-68 including books, seal, VAT, *Speedy searches*. - Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

LIMITED COMPANIES

NEW FORMATIONS, OR
READY-MADE COMPANIES

£90 complete

including VAT, duties, combined
register, seal, forms filed, etc.

NO HIDDEN EXTRAS

ALSO

COMPANY SEARCHES

increases, name changes, etc., etc.
Descriptive Literature from:-

GRAYS INN COMPANY
FORMATIONS LTD
87-89 Tabernacle Street,
London EC2A 4BA
(Phone: 01-253 3551/2)

MORTGAGES

ABANDON CHASING THAT MORTGAGE. - 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. - Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. - Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP (01-623 2844).

A COMPREHENSIVE SERVICE

Maximum loans for professionals
Remortgages, commercial loans, etc.

Personal service 20 years' experience.
Members of the Corporation of Mortgage and Finance Brokers.

ROWE, CHARLES & CO LTD
Hill House, Wembley, Middx HA9 9LD
01-908 3434

MISCELLANEOUS

PERSONAL

DATeline's psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. - Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS - NORMAL SERVICE THREE DAYS. - Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. - F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

BUSINESS OPPORTUNITIES

F.C.I.I. helps sole practitioners who are ambitious to extend the range of their financial services on a profitable basis. London and Kent. - Box FC 3062.

SWITZERLAND

Ski chalets and apartments by Lake Geneva and in surrounding ski resorts. An extremely desirable investment for professional people and clients. Write initially for details to Victor Stewart & Co, 50 George Street, Croydon, CR0 1PD.

BUSINESS PREMISES

AN INSTANT OFFICE. - Ideally suit new or expanding firms. Busy position 'Bakers Arms', London E10. Luxuriously furnished. Telephonist, receptionist, C/H and other services and facilities included. - 01-539 3300.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that the reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95

including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

**Express Co
Registrations
Ltd**
30 CITY ROAD
LONDON EC1

THE CITY TRAIL

by

C. Douglas Woodward

Chairman, City Heritage Society

‘ANYBODY coming to London and wishing to explore the City could hardly do better than buy a new guide to City walks called “The City Trail.” It only costs £1.25, is published by Gee and Co., of 151 Strand, London WC2 and is one of the most helpful guides on the subject I’ve seen.

With the book in hand you are led through all the most fascinating byways of the City of London. There are very clear local maps showing the route the trail takes and each of the main fascinating buildings on the route is photographed and is accompanied by all the sorts of detail the curious tourist wants to know.

Not only are dates, architects or builders and other historical facts listed, but the essential practical information, like hours of opening and whether an entrance fee is payable or not, is there, too.

Though the guide is obviously primarily directed at those who come to London as strangers, whether from the provinces or from abroad, I would be very surprised if there were many people who live in the city who couldn’t learn something from it.

Next time you can’t face taking a foreign guest to the Tower or Buckingham Palace for the umpteenth time, buy him this guide and head him in the direction of the City—it will be £1.25 well spent.”

Financial Times October 20th, 1979



GEE & CO (Publishers) LTD
151 Strand London WC2R 1JJ

Please send me one copy of
The City Trail at £1.25 plus 35p postage
and quote me for

supplying _____ copies in bulk.

Remittance enclosed £ _____

NAME _____

ADDRESS _____

Life Assurance and Inflation

by OUR INSURANCE CORRESPONDENT

With inflation at the levels experienced in the UK in recent years, there is virtually no 'safe' form of investment which can keep pace with it for anyone paying tax. Even pension funds have been finding that they have been earning a negative return, bearing in mind the effects of inflation.

Profit-sharing policies with life assurance offices have been no exception to the general experience. While bonus rates have risen, often quite dramatically, as a result of higher than anticipated rates of interest (offset, to some extent, by much higher administrative costs), life offices have not really been able to beat inflation for their policyholders.

There has been some index-linking provided by life offices in the field of protection assurance; Legal and General was first in this field, with an index-linked family income benefits policy. Here, the idea is that the benefits increase in line with a suitable index reflecting inflation. That is fine, as far as it goes, but there is the drawback that, after the death of the life assured, while the income benefits are being paid out, the increase can be only at a fixed rate, and not at the same pace as the increase in the cost of living. Just when an index-linked increase is most needed, it cannot be provided.

Good reason

There are very good reasons for that; a life office cannot forecast future rates of inflation, and thus cannot charge the correct premiums to meet index-linked claims. Of course, it can be argued that policyholders as a body might prefer an arrangement whereby a 'pay as you go' system is used for index-linking claims in payment — whereby the cost of index-linking the claims is met by the policyholders still paying premiums. But there is nothing to prevent existing policyholders from ceasing to pay premiums altogether, while index-linked claims would still have to be paid.

There is no doubt that an index-linked savings type life assurance contract would be very popular. Unfortunately, life offices do not have the opportunity to invest in any fund which is guaranteed to keep pace with inflation.

There is little point in the Government providing such a fund. In the first place, in times of high inflation, the Government can borrow money more cheaply than would be possible with such a fund. Furthermore, no doubt it is felt that the introduction of such forms of borrowing would give the impression that high rates of inflation are here to stay.

In theory, a life office with strong reserves could issue a certain amount of index-linked business, hoping that its traditional investments would keep pace with inflation. There is, however, little point in any life office taking that risk. It would be able to write only a limited amount of business, and thus there would not be a great potential for new business. Furthermore, if its traditional investments did not keep pace with inflation (as must be considered a very real possibility for the future), the whole body of profit-sharing policyholders would suffer. For a life office, therefore, whether proprietary or mutual, there would be little point in taking such a course.

For life assurance offices, future inflation has important implications. It may result in the public deciding to spend now, and put less aside for the future; or the public may turn away from life assurance as a form of saving.

So far, in the United Kingdom, it has been shown that, when there is inflation, there is a desire to save for the future,

even though it may be quite clear that the money being put aside will not retain its purchasing power in the future. Nevertheless, life assurance offices appreciate that a point may be reached where people come to the conclusion that saving is not really worth while.

Admittedly, the life assurance industry enjoys an important tax advantage, in view of the tax credit applicable to premiums paid towards a 'qualifying' policy, currently standing at $17\frac{1}{2}$ per cent. Nevertheless, life offices are realistic; they appreciate that the rate may well be reduced from $17\frac{1}{2}$ per cent, and there has been a number of suggestions that, in due course, the tax credit might be abolished altogether.

Qualifying conditions

As it is, there are a number of conditions which have to be met for a policy to qualify. One of the most important is that premiums must be payable annually, or more frequently, for at least 10 years, or until the earlier death of the life assured. Also, the sum assured at death must be at least 75 per cent of the total premiums payable, subject to allowances for age at inception. If the premiums are not of a level amount, there is a limitation as to the maximum premium which may be paid in any one year.

From the point of view of the life assurance industry, a 10-year policy is looked upon as a contract for a short term, but in the eyes of many wishing to save, that is seen as a very long term. At a time of high inflation, many people do not wish to commit themselves to saving regularly for such a long term, although they may be prepared to save in other ways — such as with building societies or the National Savings Bank.

Some life offices have been taking advantage of the fact that clawback of tax relief applies only for the first four years of a policy. As a result, there are on the market, policies which, initially, are arranged for a 10-year term, but which have a guaranteed surrender value after, say, four years and one day or, perhaps, five years. That type of contract is designed to be attractive to those who do not wish to save for a 10-year period; and, of course, the return can be good.

There must, however, be a very real risk that the 'clawback' period will be

Banking and Insurance

extended – perhaps in the next Budget. Initially, a four-year period was agreed upon, in view of the administrative difficulties which would be caused to life offices by having a longer period. At the time, the life offices agreed not to take advantage of the situation. Lately, a few offices seem conveniently to have forgotten that agreement.

One slightly encouraging sign for life offices has been the removal of dividend limitation. This should improve the return from equities – although, of course, in recent years, some companies may have been pleased enough that the limitation was in force, since they may not have been able to pay very much more. Certainly, it does not look as though the removal of dividend limitation has resulted in any great rush into equities by life offices. In any event, it must be remembered that, in view of a life office's known liabilities in the future, a substantial proportion of its investments must normally be in gilt-edged securities.

Yield from investments

Looking to the future, the rate of interest which can be earned is all-important for a life office. Reversionary bonuses depend largely on the yield which life offices can obtain from their investments; the increased rates of bonus which have been declared in recent years have been largely attributable to the high rates of interest which it has been possible to earn. Since interest is the price paid for money, it is reasonable to assume that, in times of high inflation, rates of interest are unlikely to be low. Nevertheless, when inflation is at a high rate, interest rates often lag behind.

Sometimes, in the past, it was suggested that the best course for anyone wishing to take a life policy was to invest in a fund which was about to be closed. Very good returns could be obtained. Now, it is unusual for a fund to be closed; normally, it is amalgamated with some other fund.

For a life office to remain viable, however, it needs to write new business at an appreciable rate. A generally accepted view is that the main expenses in connection with traditional business relate to putting new business on the

books; if, therefore, a life office can expand at roughly the same rate as inflation, it can match expenses on a year-to-year basis. Some life offices reckon that it is to their long-term advantage if they can expand at a more rapid pace than inflation, particularly since expenses do not increase in the same proportion as new business put on the books.

Actuarial limits

Nevertheless, there are limits to the expansion which is desirable from the actuarial point of view. Setting up reserves for new policies diverts funds which could have been used in other ways. For example, if an office expands 'too fast', its 'estate' has to be spread more thinly than otherwise would have been the case. This means that, effectively, profit-sharing policyholders are foregoing a slightly higher rate of bonus, so as to fund for the new business. Sometimes, however, there are competitive reasons virtually compelling an office to declare high rates of bonus, assuming a subsidy from the estate, or by making over optimistic assumptions about future rates of interest.

Clearly, in that situation, there could be problems in the future and, in the extreme, the office might have to cut its bonus rate. In practice, however, it is more probable that it would introduce a new bonus series of policies. That would help to relieve the situation, and would overcome the office being branded as having cut its bonus rate. These days, any office which cuts its bonus rate is likely to suffer a significant loss of business – stretching for many years into the future.

At the moment, most traditional life offices with strong reserves are not holding back expansion, but are putting on new business as quickly as possible. They appreciate that it might not be sound practice to do so if every year proved exceptional for new business; in fact, that seldom happens. There may be a good year for various reasons, and the following year may not be so good. That, however, is satisfactory from the actuarial point of view.

While a traditional life office has to try to maintain the right balance, there is little or no inhibition for some life offices. This applies largely to unit-linked

business, particularly single premium policies.

For a unit-linked office, however, there is the question of future expenses. Continuing expenses for a unit-linked contract are higher than for a policy written on a traditional basis. A life office must try to ensure that the level of charges which will be made in the future will be sufficient to meet its expenses.

Generally, the management charge deducted at regular intervals from the value of a unit-linked policy is expressed as a percentage of the current value of the units. While that provides some inbuilt protection against inflation, since an increase in the value of the units will increase the management charge, the value of the units may not always increase at the same pace as inflation – particularly when inflation is running at a high rate.

Increase due to inflation

Some unit-linked life offices are incorporating provisions to allow them to increase the management charge percentage in the future. That, however, may not exactly encourage sales, as a prospective policyholder may not want to feel that his insurance company can increase its charge whenever it likes. What is needed is a formula allowing the management charge to be increased should this be necessary due to inflation, but at the same time giving protection to the policyholder so that an increase will not be made unless it is really justified.

Some years ago, the Scottish Equitable Life Assurance Society introduced a unit-linked policy, but did not specify the charges which would be made. At the time, plenty of protests were registered. The Scottish Equitable, however, pointed out that there was no means of telling what costs would be incurred, and thus what charges would be needed; as a mutual office, it did not see why one class of policyholder should subsidise another. Now, other unit-linked offices are appreciating the wisdom of having some flexibility.

Under a profit-sharing policy, an office does not specify in advance the charges required for management. While a loading is incorporated in the premium for renewal expenses, the high rate of inflation has rendered most loadings in

the past as inadequate. Fortunately, yields from investments have been much higher than anticipated, and so bonus rates have continued to increase. Offices have to consider whether yields, once again, will be higher than anticipated if, in the future, renewal expenses should exceed current expense loadings.

Although many factors make up the profit available for distribution, the main influence on future bonus rates will be long term interest rates. If, for instance, there should be a significant and prolonged drop in interest rates, offices might not be able to maintain current rates of bonus.

Various offices, from time to time, have outlined the approach which they might adopt. Some have said that they would reduce their bonus rates; others might try to get round the problem by maintaining the rate of bonus for policies already on the books, but introduce a fresh series of policies for new business.

Nobody, however, need worry too much about that. Should there be a pronounced and prolonged drop in interest rates, almost certainly inflation would have been brought under control. That would help life offices from the expense point of view and, for policyholders, it would probably mean that the purchasing power of the maturity value of a policy (with a reduced bonus rate) would be greater than the purchasing power of a maturity value if bonus rates had been maintained, and inflation had continued at a high rate.

Changes in Current Account Charges

Charges for personal current account customers of Lloyds Bank will rise from December; at the same time, charges will be debited quarterly instead of half-yearly. Customers who keep a minimum balance of £100 in their account throughout the quarter will continue to have it conducted free of charge.

For other account holders, the charge for each cheque, standing order or direct debit will go up to 17½p from 12½p; credit items will remain free. Cashpoint withdrawals in future will cost 12½p for all transactions during a single day, instead of 7½p per item.

Flexible Policy Developments

by OUR INSURANCE CORRESPONDENT

For a long time, traditional endowment assurance policies issued by life offices were criticised – not for the return which could be secured if a profit-sharing policy was held to maturity, but for the relatively poor surrender values paid in the event of early surrender. While many people were persuaded to arrange policies which would mature shortly before they reached the age of 65, changing circumstances meant that these policies all too often were surrendered early – and a relatively poor value might be paid.

Rather more than ten years ago, the Scottish Provident Institution devised a policy known as an 'open-ended' endowment policy. Its feature was that, initially, it was arranged to run to the policy anniversary immediately preceding the life assured's 65th birthday – thus being comparable to the normal type of policy arranged for long-term investment policies. Its particular attraction, however, was that, at any time after premiums had been paid for ten years, the policy could be 'matured' early – for a cash sum guaranteed at the outset, plus bonuses.

The practical effect of that arrangement was that, if such a policy were to be held until the final maturity date, it would not provide such good value as a fixed-term policy initially arranged for the same period. If, however, cash should be needed at any time after the first ten years, but before the final maturity date, a much better value would be obtained than surrendering a fixed-term policy.

Possible embarrassment

While a number of life offices have followed the lead of Scottish Provident, some do not like the idea of offering guaranteed surrender values in view of the possibility of a 'run' of surrenders. They feel that, should they have a large amount of 'open-ended' business on the books, which had run for more than ten

years, they could be at risk in the event of a serious depression, when policyholders might cash in policies in large numbers. While, in theory, the whole body of profit-sharing policyholders would come to the rescue (by having their rate of bonus cut), some life offices do not wish to put fixed-term profit-sharing policyholders in that position.

Borne out by experience

The Scottish Provident has taken the view that withdrawals after the initial ten-year period would be likely to occur in much the same way as if the policies had been arranged for fixed terms – dependent on ages at entry. That assumption is being borne out by the relatively limited experience which the office has gained of policies which have run for more than ten years.

A feature of the Scottish Provident's policy is that it declares the same rate of bonus for 'open-ended' policies as for fixed-term policies. Some other offices have introduced a different bonus structure for 'open-ended' policies, which will reflect the experience with that class of business.

The Scottish Amicable Life Assurance Society pioneered the idea of issuing 'open-ended' endowment policies in unit form. For each £1 per month of premium, a separate contract is issued – which, in due course, can be dealt with

Banking and Insurance

independently of all the other contracts making up the overall package. This flexibility can be of value to a policyholder.

Scottish Amicable has tackled the problem of trying to match investments to potential liabilities, despite the fact that it is not known in advance when the liabilities may arise. It has arranged loans to local authorities which can be called in, if necessary, after an initial period. Apart from that, the office is watching the market closely, so as to pinpoint times when it would be to the advantage of policyholders to surrender their contracts and invest elsewhere if, by so doing, a better return could be obtained. Whenever such a situation occurs, the office can increase its liquidity, so as to be prepared for a higher level of surrenders.

Limited value

Now the position has been reached where, for those saving for an indefinite purpose, very few fixed-term endowment policies are sold. They are fine where it is known in advance that cash will be required on a certain date – such as to meet school fees, repay a house-purchase loan, etc. There is little point in using an open-ended policy to fund school fees, since the dates when the fees will be needed are known at the outset, and it is cheaper to arrange a fixed-term policy at the outset. For many people, however, simply using life assurance as a means of accumulating capital (and not knowing when it may be needed), if they choose traditional profit-sharing assurance, rather than unit-linked assurance, 'open-ended' policies have much in their favour.

Accumulating capital

Sometimes, flexibility can be helpful where capital is being built up to repay a house-purchase loan. For instance, the Scottish Equitable Life Assurance Society produced a 'bonus-reinforced' policy on an 'open-ended' basis. Since a guaranteed value, plus bonuses, is payable in the event of surrender of the policy at any time after the first ten years, a house purchaser with such a contract knows exactly where he stands. Also, a few years before the end of the

term of the policy, the guaranteed value, plus accumulated bonuses, should be sufficient to repay the loan in full. Either, therefore, a house purchaser can wait until the end of the term and take tax-free cash after repaying the loan (as is usual with a fixed-term contract), or there is the facility to pay off the loan earlier than anticipated, with no further interest or premiums being payable.

While most interest in flexible policies has been concentrated on endowment assurance, the whole life side should not be overlooked. Here, among the traditional life offices, Friends' Provident Life Office virtually has the field to itself with its 'Assetbuilder'. Although not offered on a joint life and survivor basis, it is particularly suitable for meeting capital transfer tax if the policy is written in trust for beneficiaries. Here, the great advantage of the flexibility is that the beneficiary can take guaranteed cash, plus bonuses, at any time after ten years' premiums have been paid – so as to meet CTT payable on lifetime gifts.

Optimum time

For many people, it is no easier to forecast when lifetime gifts may be made than when death may occur. This is partly because, with many types of assets, quite apart from the donor's own financial circumstances, the timing of a gift may depend on when those assets are at a comparatively low level, so as to attract as little capital gains tax and capital transfer tax as possible. With a flexible whole life policy, there is the guarantee that, after the first ten years, guaranteed cash will be available to meet the capital transfer tax.

A number of life offices issuing flexible policies offer continuation options of various kinds. Typically, if a policy is cashed before, say, the age of 50 or 55, a further policy can be arranged (irrespective of health at the time), either for a similar number of units as those cashed, or for a premium which does not exceed the original premium. Apart from that, a number of policies provide options so that, at specific dates, further life cover can be arranged, at premium rates prevailing at the time, irrespective of the life assured's health at the time.

Over the past ten years, there have been significant changes in savings

habits. Now, fewer young people want to enter into a savings contract which may run until they are nearly 65. As a result, there has been a move to provide shorter-term endowment policies, with the same basic flexibility.

The Provident Mutual Life Assurance Association introduced a flexible policy written for a 25-year term which, effectively, is based on a conventional ten-year endowment profit-sharing contract.

After the initial ten years, there is the option for the policyholder to continue for up to a further 15 years, receiving cash accumulations, comparable to deposit interest.

Lower maturity

Although the Association, when introducing the policy, claimed that the effective penalty for flexibility was lower than that imposed by many other offices, and the guaranteed maturity sum assured throughout the term was one of the highest, it is clear that, due to the differing investment policy after the first ten years, the actual maturity value from this type of policy is likely to be lower than from other offices with good bonus records.

A number of life offices issue normal profit-sharing policies which, initially, run for 20 or 25 years. Recently, the Scottish Amicable introduced such a policy with a 25-year term, and with a separate policy being issued for each £1 per month of premium. Although the minimum premium has been increased to £8 per month, this is lower than the minimum of many other offices.

Attractions

One of the attractions of this type of contract is that a lower level of life cover is provided, thus maximising the return on savings from the early maturity options. Since this policy is arranged for a 25-year term, the commission payable for a given regular premium is the same as if the policy had been arranged for a longer period.

Incidentally, one advantage of this 25-year contract is that, for those aged 41–45, there is the option to take a savings contract which extends beyond the age of 65.

Tolley's Tax

In an independent survey last Autumn amongst chartered and certified accountants, 70% of those in professional practice and 54% of those in industry and commerce said they used Tolley's Income Tax or Tolley's Corporation Tax – the highest percentage of *any* tax book in both categories.

Why Tolley's tax annuals are so popular

Each of Tolley's four main tax annuals has these six features:

- 1 Contents give concise, complete coverage of each tax (that's why so many accountants turn first to Tolley's).
- 2 Provisions of the Finance (No. 2) Act 1979 and all relevant legislation, case law, Revenue press releases and extra-statutory concessions up to 31 July 1979 (30 September 1979 for Capital Gains Tax and Capital Transfer Tax).
- 3 ☐ Contents are in chapters, arranged in alphabetical order of subject.
☐ Fully cross-referenced throughout.
☐ Detailed index, direct to the appropriate paragraph.
☐ Table of statutes all to give quick, easy reference and to save time.
- 4 Designed throughout for practical use with covers in bright, distinctive colours for quick recognition.
- 5 A summary of every tax case quoted can be found in *Tolley's Tax Cases*.
- 6 Exceptional value for money.

The Tolley Subscriber Service

Over 16,500 accountants, solicitors and other professionals (both firms and individuals) already take advantage of the unique, **FREE** Tolley subscriber service. This ensures that they and their staff get copies of the latest editions of Tolley's books as soon as each is published, as well as a free Memorandum to each Finance Bill.

Use the coupon opposite to find out more, or telephone 01-686 9141.

Special Offer
to the newly qualified
25% OFF your first Tolley Annual.

If you qualified as an accountant, solicitor, barrister, or chartered secretary after 1st January 1977, you can now obtain a copy of one of Tolley's tax annuals at 25% (or more) discount. Send us your name and address, and the date you qualified, and we'll send you further details.

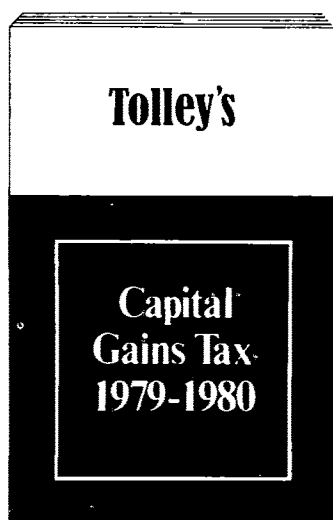
Collection

**Now in its 64th edition*

Tolley's Income Tax 1979-1980 by Eric L. Harvey FCA

A comprehensive, detailed guide fully revised to incorporate all relevant legislation to 31 July 1979. Also includes summary of tax rates, allowances, case law, etc for the past 12 years, plus table of taxable national insurance benefits. Over 33,000 copies sold last year.

Available now 416 pages £7.00

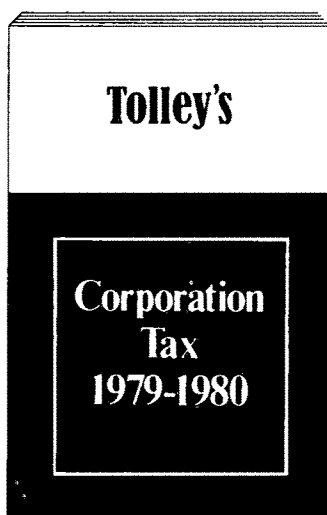
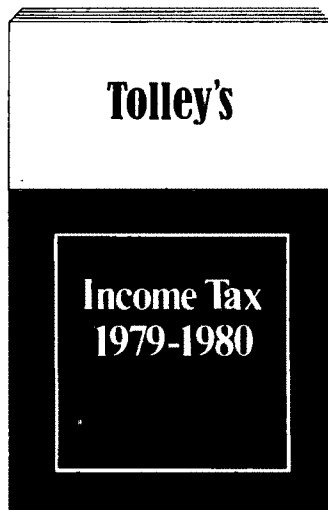


**For Consolidated References*

Tolley's Capital Gains Tax 1979-1980 by David R. Harris LLM

Last year's first edition of this newcomer to the Tolley range was such a success that a reprint was necessary. This second edition has been revised to incorporate the Capital Gains Tax Act 1979 and all relevant legislation to 30 September 1979. Also includes a Table of Cases.

Available now 224 pages £5.75

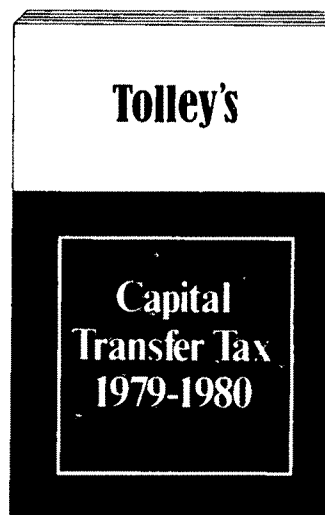


**New Publication*

Tolley's Capital Transfer Tax 1979-1980 by Eric L. Harvey FCA

The latest edition to Tolley's annual tax reference books, covering the complex subject of Capital Transfer Tax. Legislation and developments are covered to 30 September 1979 with examples and Tables of Statutes and Cases. A comprehensive, quick guide.

Available early 1980 £5.75



**Greatly Expanded!*

Tolley's Corporation Tax 1979-1980 by David R. Harris LLM & John W. Sutcliffe BA

This increasingly popular companion book to Tolley's Income Tax has been greatly expanded since the previous edition, to include the provisions of the Finance (No. 2) Act 1979 and case law etc to 31 July 1979. Also includes a Table of Cases.

Available now 256 pages £4.25

*** Take a look at the 1979/80 Tolley's - without obligation - by completing the coupon.**

To: Tolley Publishing Co Limited, 102/104 High Street, Croydon, Surrey CR0 1ND.

Please supply the titles I have ordered. I understand that if I return these books in their original condition within 21 days of receipt I will be entitled to a full refund.	No.	Title	Price	Amount
	___	Tolley's Income Tax 1979/80	£7.00	
	___	Tolley's Corporation Tax 1979/80	£4.25	
	___	Tolley's Capital Gains Tax 1979/80	£5.75	
	___	Tolley's Capital Transfer Tax 1979/80*	£5.75	

*as soon as published

Cheque enclosed for: £ _____

☐ Please send me further details of your free Subscriber Service.

Name _____

Firm _____

Address _____

Tel No. _____

Signature _____ Date _____

AC13/12

Tolley

Survival is the Object

The London Business School was indeed saving the bad news till last in its economic forecasting which set the international scene a month ahead of the UK scene. The UK outlook is seen in terms of a fall in output in 1980, high inflation for two years, a persistent growth of unemployment and a severe squeeze on the company sector.

The next two years, it is considered, will be very difficult for the whole economy with tight money biting on persistent high inflation. Mid-1979 levels of output are unlikely to be exceeded until late 1981. Profits, in particular, will suffer from a combination of slow growth of output and loss of competitiveness.

Improving picture

Consolation is that beyond 1981 the picture improves if current policies are maintained. Inflation is forecast to fall to single figures and output growth to recover along with an expected recovery in the world economy. Inflation, it is maintained, could be as low as 5 per cent by the end of 1983.

That may not be much in the way of consolation to people and companies unable to see their way through 1980, let alone 1981 and 1982. LBS view is that inflation will not fall firmly below 10 per cent until 1981 or 1982 and 'we are entering a recession which could last, though on a modest scale, until 1981 or 1982.

This column recently commented on the way in which economic forecasters, having originally foretold a shallow and shortlasting recession in 1980, have gradually taken their forecasts forward to include 1981. Now 1982 has begun to creep on to the forecasting scene.

The LBS contention is that an important cause of this depressed outlook for output is the prospect for inflation. The economy is still feeling the effects of the rapid monetary growth of the last two years. So far the slower growth has not had significant impact.

Sceptics have always argued that

monetary policies have no effect on pay claims but the more important question is whether they affect pay settlements and after what kind of delay. In the initial stages progress may be slow since there is almost no prior example of a sustained attempt to reduce the growth of wages by monetary restraint. A possible reason for slow adjustment is that both sides of the wage bargain assume either that monetary growth will be increased to accommodate inflation or that direct control of wages will be introduced. But only if the current policy is continued will the problem of credibility be solved.

The LBS forecasters assume that the policy will continue along present lines and that growth of the United Kingdom money supply will be progressively tightened.

The forecasters' assumption is that

earnings will increase by about 15 per cent during the current pay round. On that basis recession will bite more deeply in 1980 and recovery will be weak in 1981. Part of the effect will come directly through the credit squeeze and part will come indirectly as loss of competitiveness hits foreign trade and as loss of profits hits investment.

Wage limits?

And, presumably, every percentage point above 15 in the wage round extends the length of the recession and increases its depth. It is on that basis that some economic forecasters predict a return to mandatory wage ceilings.

The Chancellor of the Exchequer, however, is still adamant that there will be a return to wage control by degree. He is, all the same, quite clearly preparing the way for a reversal of the income tax rate reductions of his first Budget last June.

There are already City forecasts of the need for a £2 billion deflationary Budget next Spring.

Bad and Doubtful Debts

Circumstance rather than choice means that the clearing banks in their 1979 accounts will show the break-down between specific and general provisions for 'bad and doubtful debts'. The circumstance is that the innovation carries the changes made in the last published accounts when the total provisions for bad and doubtful debts, the charges to profits and movements during the year, were disclosed for the first time.

The choice would probably not have been for this particular time since at December 31st, 1979, Middle East events may have introduced a vast new area of uncertainty. The fanatical Iranian government has disowned all foreign debts and it is not beyond the bounds of possibility that religious fanaticism may take precedence over financial honesty in other Middle Eastern areas and, who knows, beyond.

Whether Middle Eastern debts will be considered bad or doubtful, specific or general will be a nice decision for the

banks involved but it is certain that the amounts directly and indirectly involved could be considerable.

Complementary elements

Provisions against advances comprise two elements which are complementary. One is a specific element for identified losses which will be maintained for amounts considered doubtful up to the time of write-down for accounting purposes. Interest charged on these amounts will continue to be taken to profit, with further specific provisions if appropriate.

The second is a general element for losses which, although not separately identified, are known from experience to be present in any portfolio of bank advances.

Movements in the provisions will continue to be shown and, in future, recoveries of amounts previously written off will be disclosed separately.

The amount of provisions is a matter

Financial Accountant

of judgement depending on the size and makeup of lending in relation to the circumstances existing and any deficit or surplus will continue to be charged or credited through the profit and loss account.

Assessment of when a debt should be written down in whole or in part for accounting purposes is also a matter of judgement in the light of information available. Differences in the method and timing of write-down will be inevitable.

For nearly two years now the clearing banks have been reviewing their accounting procedures with a view to achieving more comparability and to establishing whether there should be greater disclosure of provisions. The greatly increased diversity of activities by the banks, both at home and overseas, has made the achievement of better comparability of accounting and of more disclosure by the banks increasingly difficult.

In their 1978 accounts total provisions for bad and doubtful debts were disclosed and the treatment of realised gains and losses on investments revised.

Such matters of exchange profits and

losses, accounting for pensions, leasing and goodwill are being considered but the banks are prepared to wait for a lead from the accounting profession. Meanwhile they are considering ED25 and the proposals on accounting for associated companies.

EEC rules

Beyond such 'home' considerations, there is the matter of EEC Directives which are likely to mean extensive new requirements covering the content and format of bank accounts. Proposals are at an early stage and are unlikely to take effect for some time. The banks are in no haste to anticipate what recommendations may be made.

For the time being the banks will have to consider what recommendations need to be made on the matter of Middle East loan commitments. There is no doubt that the full disclosure of specific and general, bad and doubtful debt provisions is coming at an extremely intriguing time. The intriguing aspect of it is admittedly a matter for onlookers. The banks themselves are unlikely to consider 'intriguing' a particularly apt word.

the French. Out of the total quantity of Russian bonds issued over the 1820-1917 period, the French took about 40 per cent, the British and Germans each another 20 per cent and the rest of Europe and the USA, the 20 per cent balance between them.

It follows that, in researching the varieties of Russian bonds, the greatest number will be French. The research done so far covers the low denominations (£20 or common bonds) as they are the most numerous and still very cheap.

The subject of Russian bonds and stamp duty is vast. Stamp duty, or the absence of it, is of importance because of the date and type used and, as with stamps, it is the oddity, the historical background and local circumstances which create the premium value for collectors.

Price differences are based on the proportion of each type to be found after examining a large quantity of the issue.

A stamp duty/bond definition shorthand has been developed to cope with the different stamp and bond varieties. A particular type is expressed thus for example:

1894 - Gold Loan 2nd Series
F3-T/C 3 Rbl 125

Russian Roulette

Growth in the market in 'busted bond' certificates is part and parcel of the growth of 'alternative investment' markets. There are, however, considerable niceties in bond certificates as indeed there are in all kinds of 'collectables'. But even those people who acknowledge the niceties may be surprised that the Nicevale company's monthly price list and detail of some 2,705 Russian bonds and share certificates could run to 120 close printed pages.

And even that does not cover the ground entirely. At a rough estimate between 1820 and 1917 the Russians floated a total of 604,454,962,122 roubles in the West. The amount outstanding at the time of the Russian revolution amounted to 402,969,974,748 roubles, excluding internal debts. In 1822 there were 6.48 Roubles to the £1, in 1900 there were 9.37 and in 1914, 9.48. So by 1914, the equivalent of the

Russian debt to the West was £40,296,997,474, a lot of money in 1914 pounds.

As Nicevale's history of the Russian bond market points out 'to the question why so many people put their savings into Russian bonds, the answer given by an eminent English lawyer was "greed"!'. At the time (1900-14) the British Government was paying 2½ per cent on its annuities whereas the Russians were paying 4 per cent.

One of the Russian bond niceties is the imprint of stamp duty on the bonds. The Dutch appear to have been the first to impose duty stamping on foreign government bonds (white embossed stamps in 1824) followed by the English and the Germans around 1860 and the French in 1872. Denmark, Italy, Spain, USA and Austria-Hungary followed suit soon after.

Nicevale's history says that the vast majority of Russian bonds were taken by

would indicate a bond of the most common type, with French stamp duty F3, which is F1 and F2 together, the black stamp '75 ct' etc and the endorsement 'Vise pour supplement de Timbre', T/C 3 means 3rd talon coupon sheet.

F3-D3 would mean that in addition to the French stamp duty the bond also carries the Danish stamp duty (very rare). 'In this particular example' Nicevale say 'there is no mistaking the value of the bond of 3,125 roubles as there were only six issued and three possibly remaining, which makes it the rarest of all the Russian bonds, and there is little point in differentiating between the types of stamp duty for this denomination'.

There is no mistaking the value to the professional collector. But the difference in price between the 'right' bond and the 'wrong' bond is considerable. Development of the market in these collectables is likely to make the difference all the more marked as rarity commands higher value.



An Interesting Example

Some companies, like some people, seem always to attract trouble. Some companies carry on their business quietly and successfully from generation to generation with barely a ripple of controversy affecting their apparently serene progress; others change directors and direction more times than a weathercock. They even seem to court trouble and invariably succeed.

One such is Saint Piran whose activities are tin mining and property development in the UK and tin mining

in Malaysia. The company also invests in companies engaged in similar activities.

Substantial changes

The report and accounts for the year to last March have recently been issued. During the year the make-up of the board was substantially changed, including the appointment to it of Mr M. R. Stone and Mr B. Green. They are directors of Gasco Investments which

holds 29.57 per cent of the Saint Piran capital.

Right at the end of the financial year there was an extraordinary general meeting requisitioned by Mr M. R. Lewinsohn and his associates who sought, unsuccessfully to replace the board with themselves.

During 1978-79, turnover, at £20.56 million, rose by 33.6 per cent and pre-tax profits at £4.15 million, 51.8 per cent. The dividend, at 2.5p a share was up 24.4 per cent from earnings which at 15.23p a share were up 8.8 per cent. Back in 1973-74 turnover was under £5 million and profit only just over £200,000.

The record looks good, but the auditors' report looks awful. Some readers may have read references to it. To satisfy their curiosity the report is reproduced on this page.

- 1 We have examined the accounts of Saint Piran Limited set out on pages 10 to 13 and 16 to 25. These have been prepared under the historical cost convention including the revaluation of the mining operation of a subsidiary as shown in note 13. Note 1 (f) records the accounting policy relating to valuation of stocks of tin concentrates which departs from the relevant standard accounting practice. We concur with this departure which deals with the special circumstances of this group.
- 2 The company did not, in our opinion, maintain proper accounting records during the year in respect of transactions relating to certain overseas investments which have been sold since March 31st, 1979. Because the accounting records for these transactions were deficient we are uncertain as to whether there may be other omissions or inaccuracies.
- 3 From information in our possession it appears that certain of the group's overseas investments, which have been sold since March 31st, 1979, may have been acquired in a manner which was in contravention of the laws of the country concerned. We have been unable to ascertain whether in fact breaches of law have taken place or, if they have, the likelihood of action by the relevant authorities. Furthermore we cannot estimate the financial effect on the group of any penalties or other losses that might arise in the event of such action.
- 4 The group's investment in Fairmont State Limited ('Fairmont') including loans made to that company, is included in the balance sheet at £2,869,296.
 - a The Company has received no interest or capital repayment on its loan to Fairmont of Baht 47,348,000 (£1,133,355), including accrued interest to March 31st, 1979, either during the year or since although the loan arrangements specify interest of 15 per cent per annum and repayment of principal on January 31st, 1978.
 - b Uncertainty exists as to the extent of the group's control over and its equity interest in Fairmont.
 - c The value of the investment could be affected directly or indirectly by the outcome of the litigation referred to in note 22 (c).Whilst we believe that the investment has a substantial value, for the foregoing reasons we are unable to satisfy ourselves as to whether or not the balance sheet value is fairly stated.
- 5 During the year Saint Piran (Hong Kong) Limited incurred expenses totalling HK\$1,471,000 (£142,918). Included within this total were amounts of HK\$101,597 (£10,919) and HK\$550,000 (£59,110) referred to in notes 22 (a) and 22 (b). We are told that a substantial part of the expenses relate to services performed on behalf of Fairmont under the terms of the management agreement between Fairmont and Saint Piran (Hong Kong) Limited which is referred to in note 22 (c). Because the management agreement is the subject of litigation, the value of the services rendered by Saint Piran (Hong Kong) Limited and hence the value of expenses incurred by it are called into question.
- 6 During March 1979 Saint Piran (Hong Kong) Limited made an interest free unsecured deposit of HK\$2,050,000 (£199,172) with Berriedale Investments Limited, another Hong Kong company. This amount, which is included in debtors at March 31st, 1979, was repaid in June 1979. We have been unable to satisfy ourselves that this deposit was made for the benefit of the group.
- 7 Because of the matters referred to in paragraphs 2 to 6 which relate solely to the group's interests overseas, we are unable to express an opinion as to whether the accounts give a true and fair view of the state of affairs of the company or the group at March 31st, 1979, or of the profit or source and application of funds of the group for the year then ended or whether the accounts comply with the Companies Acts 1948 and 1967.

Ernst & Whinney
Chartered Accountants
Lynton House
7 Tavistock Square
London WC1H 9LS

November 21st, 1979.

Share Exchange Schemes

It is rather surprising that some life offices, in trying to attract single premiums for unit-linked business, do not put more emphasis on share exchange schemes. When, for instance, the London Life Association introduced its unit-linked contracts, it specifically said that there would be no share exchange scheme since, in different ways, that could be to the detriment of investment performance.

While it is undesirable to have a share exchange scheme where the sales side can put pressure on the investment department to take in certain shares against their better judgement, the success of a unit-linked operation depends largely on the volume of sales. If competitors are offering share exchange schemes (which, of course, make economic sense for the investor), it seems strange to steer clear altogether.

Standard Life is one company which may have got the balance just about right. If so, that will be important, as it anticipates that about 25 per cent of its business will result from share exchange.

The company reckons to have about 300 shares and gilts on its list of acceptable securities at any one time, since the shares offered do not have to go into the unit-linked funds; if acceptable to the

investment managers, they can be taken into the main life and pension funds. Every fortnight, a list of the acceptable securities will be circulated to branches, and the company is undertaking that, if it states that certain shares will be acceptable under a share exchange scheme, that offer will hold good for a fortnight – even though, during that time, the investment managers may change their minds about a particular share. That is unlikely to affect

the investment side in any material way.

Where shares cannot be taken into any of the funds, but are sold on behalf of a potential investor, Standard Life is offering to add 1 per cent to the net amount realised. That is looked upon as a straight marketing cost, and the company reckons that it will be justified. While that is in no way unique, it is surprising that more life offices have not taken that course if, in fact, it appears to be economic in straight terms of sales.

Dark Side of the Slump

The latest CBI *Economic Situation Report* reaffirms the decline in industrial profitability, challenged recently by Phillips & Drew. The November report stated that the CBI still expect the measure of real profitability to be below 3 per cent this year and below 2 per cent next year. This would be the worst recorded figure and the damage it is expected to cause investment is reflected in the CBI forecast of a fall in the volume of fixed capital formation and of destocking by the sector.

Forecasts for the industrial and commercial companies' financial deficit put it at about £4 to £5 billion this financial year, rising to £5 to £6 billion in 1980–81. The corresponding deficits, excluding North Sea activities, would be rather larger. This is a marked deterioration over the level of recent years, although it is not as high, in real terms, as in 1974–75.

Worsening

The worsening is caused mainly by the slow growth in profits together with increases in tax payments and profits due abroad, higher interest payments and a small rise in the nominal level of fixed capital formation. The volume of fixed investment is expected to fall somewhat between 1979–80 and 1980–81.

Higher interest payments and earlier payments of petroleum revenue tax are likely to be broadly offset by slightly less fixed investment and rather greater stock reductions than previously predicted, together with slightly higher profits.

The large industrial and commercial companies' financial deficits, predicted

for this financial year and next, 'will almost certainly be associated with substantial increases in their demand for bank borrowing during each financial year. This would also imply a worsening in net liquidity'.

The Department of Industry survey suggests that company liquidity may currently be slightly better than at the start of the 1974–75 recession. The ratio of the official figures for identified liquid assets of industrial and commercial companies to their bank advances gives a similar picture. Stock levels are also higher and the CBI forecasts assume that there will be some destocking next year in response to worsening liquidity.

'Package' for Gold

For anyone who will be overseas for a few years, and who wishes to invest in gold in an easy and straightforward way, the Tyndall Group operates a gold fund. In this way, an investment can be made in gold bullion, without an individual being concerned about storage, insurance, and the costs of dealing in relatively small quantities.

The fund does not take a view of the future, but simply invests the money in gold and leaves it there. An investor, therefore, must decide when it is to be invested in gold in this way, and when to sell. All investments are in the form of a life assurance policy, which can be realised at any time; or regular withdrawals can be taken to provide income. Unlike other forms of life assurance, no medical evidence has to be provided.

Transatlantic Growth

Tyndall Managers Ltd have claimed to be first in introducing a new unit trust investing overseas completely free from currency restrictions – the Tyndall North American Growth Fund. While the managers will invest mainly in US shares, they may also hold Canadian shares.

A substantial portion of the initial portfolio is being invested in energy, technology, cyclical growth and health care shares which, in the managers' opinion, are substantially undervalued in relation to their potential for growth of earnings.

The initial portfolio has 25 per cent cash liquidity, which the managers are prepared to invest under appropriate conditions.

Capital growth is the chief aim of the fund, and the estimated starting gross yield is 3.5 per cent. The minimum investment is £1,500 and the initial charge is 3 per cent (reduced to 2 per cent on the excess over £10,000), which the managers claim is low for a trust investing in America. The half-yearly management charge is $\frac{1}{4}$ per cent (plus VAT) of the Fund.

Increased Distribution

At 3.2p per unit, the 1979 total distribution for Save and Prosper Income Units has created a fresh record. The managers have said that the fund's income has benefited from the performance of a number of companies where the potential for above average dividend increase is good, such as Hambro Life, Howden Group and Mallinson-Denny.

A number of shares in the portfolio have been subject to take-over bids and, since share prices of many companies are substantially below net asset values, further bids are anticipated, resulting in additional capital appreciation.

From the stability provided by the preference share base, the managers intend to continue investing in companies offering not only good initial yields, but also where there is scope to increase dividends to improve fund income still further.

European Quango Reports on Financial Management

From Brussels, now surely the word centre of the world, comes a note from the Conference Board in Europe, yet another of those 'independent, non-profit, research institutions'. The note maintains that the Conference Board's 'scientific studies of management and economics produce a continuing flow of timely and practical information to assist leaders of business, government, labour and other institutions in arriving at sound decisions'. The Board is supported by more than 4,000 'Associates' in the shape of corporations, national and regional governments, trade unions, educational institutions, public libraries and individuals.

The Board's *'European Research Report No. 1'* concerns 'The Changing Character of Financial Management in Europe' and according to the note received, the conclusion is that corporate financial management has changed substantially, in both nature and process, in the last ten years and has become more complex and exacting.

The influence of the central finance department has increased in the majority of companies through closer integration with other corporation functions (particularly planning) and greater control of divisional financial management.

The nature of financial management, it is held, has changed in terms of both the range and relative importance of financial functions. Treasury duties and scope have increased primarily as a result of greater risk in currency transactions brought about by floating exchange rates and by the need for better working capital management in periods of rapid inflation.

Greater emphasis is placed on planning and forecasting as well as on tax management. The control function has also continued to develop, aided by advances in electronic data processing which have permitted closer supervision and access to a broader range of information.

These developments, it is maintained, have enhanced the role of financial executives in many European companies 'making it more specialised and more responsible, thus requiring key financial executives to have a wider experience and a broader background'.

The conclusions were based on information obtained from more than 100 financial executives in 12 European countries and covering a wide range of industries. No doubt a solid piece of research work but there must in some minds be an inclination towards wondering whether it was necessary and what this kind of well intended effort ever achieves.

Brokers Viewpoint

Taking a look at latest Treasury forecasts, stockbrokers Savory Miln make the point that the Treasury is effectively forecasting a 12 per cent rise in the Public Sector Borrowing Requirement to around the £9.5 billion level.

On that basis 'problems with money supply control could therefore recur next year'. They hope this will not be dealt with by further crisis levels of MLR as 'in many ways this only adds to the problem'. They suggest the more satisfactory technique of money supply control which is 'to operate directly on the basic cause of growth - the PSBR - and 'this means either increasing taxation or reducing Government expenditure'. Savory Miln question whether merely holding public expenditure constant in real terms is enough since the present rate of inflation means that in current price terms there will be a rise of at least £10 billion in public expenditure next year.

With the fiscal drag greatly reduced by indexation and lower income tax rates 'more of the burden of the inflation rise in public expenditure must fall on borrowing and therefore on the gilt-edged market'.

Offshore Recoveries

Hambros Fund Managers (Channel Islands) Ltd has incorporated a further offshore fund based in Guernsey. This is intended to provide investors living or working outside the UK with similar opportunities to those provided in the UK by the 'smaller companies' and 'recovery situations' unit trusts operated by the Allied Hambro Group.

Known as Hambro Special Situations Fund Ltd, the fund operates in the same way as a unit trust, in that it can issue and redeem participating shares on a weekly basis at prices based on its underlying net asset value. Investment, under the guidance of the Allied Hambro Group, will be made principally into the UK equity market, with the emphasis on those companies likely to show above average growth and income potential.

The prime objective is to provide shareholders with an increasing capital value and income payment over the medium term; it is envisaged that the initial income yield will be approximately 3.5 per cent per annum. Also, the fund may invest in overseas markets, if and when foreign currency investment is considered opportune.

US Outlook

Reporting to holders of units in Hill Samuel Security Trust, the managers have said that the trust's strategy has been to concentrate on those companies with strong balance sheets, above average management and a wide geographical spread of activities. Holdings in the shipping sector have been sold, and reductions have been made in mechanical engineering, metals and metal forming, and textiles. Increased commitments have been made to light electronics, food manufacturing and stores.

Although the dollar stockmarket has performed well, despite the continuing problems of the American economy, the managers feel that leading US shares continue to look undervalued on a medium-term view. The trust's US portfolio, therefore, is being retained, but the \$500,000 loan was repaid at the spot rather than the premium rate of exchange, following the relaxation of exchange controls.

City Notes

New Year Sales

This, admittedly, is not the brightest time of the year for the stock markets. Usually there is a degree of artificial brightness stemming from the starry-eyed early buying of shares 'For the New Year'.

But this year the New Year is not looked upon with any great degree of confidence and the share buying rush is unlikely to develop into anything like the normal intensity.

The reason is simply that prospects for profits are poor and without good profits the equity market can hardly prosper. The paragraph from the National Institute of Economic and Social Research's November commentary sums up prospects adequately:

'Cost pressures from earnings and import prices are forecast to increase next year at a time when demand is very weak. Consequently, the outlook for profits appears very bleak and the financial deficit of the company sector is expected to widen still further, despite the low rate of industrial investment and the fall in stocks. Indeed we foresee a squeeze on company profitability and liquidity comparable with the 1974-75 experience.'

That is a stronger 'squeeze' forecast than has been made before. Until now the potential squeeze has been considered unlikely to match the 1974-75 severity and much play has been made with a stronger starting point this time round.

Recession coupled with inflation is not a combination calculated to win friends for security markets and influence people into buying. The National Institute's view is that 'inflation in consumer prices is expected to peak with an increase of just over 16 per cent in 1980 compared with 1979. As the increase arising from the change in VAT rates is absorbed the rate of inflation is forecast to be 13½ per cent in 1981 compared with 1980'.

If the only prospective force in the reduction of inflation is the absorption of 15 per cent VAT in the economy,

security markets have every reason to be ill at ease.

Already there is a degree of ill ease over the prospective level of MLR. Signs that US rates may have peaked may well prove premature, particularly if Iranian and other Middle Eastern political events turn for the worse.

But if the Government has nothing left but interest rates and 'the corset' with which to control the economy there is a natural fear that MLR may well have to go higher.

Presently the Government is like a parent slapping a child for being naughty. But if the child goes on being naughty, does the parent merely slap the child harder?

And if the naughtiness in wage

increases goes on does the Government hit harder and harder and harder? The Government's policy hits all the children irrespective of whether or not particular children have erred.

If that is the prospect even before the crucial stage of the wage round is reached, what are the prospects of MLR coming down quickly in the New Year? If that prospect is bleak then the stock markets in the early part of 1980 will not even have anticipation of a lower yield basis as inspiration.

Contrarily, of course, if the time to buy is when all the factors are ranged against buying then there is presumably no time like the present. The anticyclists on that basis may be in for a Happy New Year.

Rates and Prices

Closing prices, Monday, December 3rd, 1979

Bank of England Minimum Lending Rate

May 12, 1978	.. 9 %	Mar 1, 1979	.. 13 %
June 8, 1978	.. 10 %	April 5, 1979	.. 12 %
Nov 9, 1978	.. 12½ %	June 12, 1979	.. 14 %
Feb 8, 1979	.. 14 %	Nov 15, 1979	.. 17 %

Finance House Base Rate

December 1st, 1979, 15½ %

Certificates of Tax Deposit

November 26th, 1979:
interest on payment of tax 16½ % + 0 % per annum
withdrawn for cash 13 %

FT Industrial Ordinary Index

December 3rd, 1979, 418.5

Treasury Bills

Sept 28	.. £13.3638 %	Nov 2	.. £13.4868 %
Oct 5	.. £13.3244 %	Nov 9	.. £14.7581 %
Oct 12	.. £13.3615 %	Nov 16	.. £16.1843 %
Oct 19	.. £13.3646 %	Nov 23	.. £16.1237 %
Oct 26	.. £13.4713 %	Nov 30	.. £16.0988 %

Money Rates

Day to day	14½-15½ %	Bank Bills	
7 days	.. 16 -16½ %	2 months	.. 17 %
Trade Bills		3 months	.. 15½ %
1 month	.. 17½ %	4 months	.. 16½ %
2 months	.. 17½ %	6 months	.. 16½-16¾ %
3 months	.. 17½ %		

Three Months' Rates

Local authority deposits	.. ..	16½-16¾ %
Local authority bonds	.. ..	17½-17¾ %
Sterling deposit certificates	.. ..	16½-16¾ %
Euro-sterling deposits	.. ..	16½-17½ %
Euro-dollar deposits	.. ..	14½-14¾ %
Inter-bank rate	.. ..	16½-17 %

Foreign Exchanges

New York	.. 2.2130	Frankfurt	.. 3.7775
Montreal	.. 2.5810	Milan	.. 1785.00
Amsterdam	.. 4.1950	Oslo	.. 10.8550
Brussels	.. 61.7000	Paris	.. 8.9050
Copenhagen	.. 11.7400	Zürich	.. 3.4625

Gilt-edged

Consols 4 %	.. ..	30½	Treasury 13½ % 1997	.. ..	94½
Consols 2½ %	.. ..	21½	Treasury 9½ % 1999	.. ..	73½
Consols 3½ %	.. ..	34½	Treasury 9 % 1994	.. ..	69½
Funding 3½ % 99-04	.. ..	36	Treasury 8½ % 84-86	.. ..	82½
Funding 5½ % 78-80	.. ..	96½	Treasury 8½ % 87-90	.. ..	69½
Funding 5½ % 82-84	.. ..	77½	Treasury 3½ % 77-80	.. ..	96
Funding 5½ % 87-91	.. ..	60	Treasury 3½ % 79-81	.. ..	91½
Funding 6 % 1993	.. ..	57½	Treasury 5 % 86-89	.. ..	59½
Funding 6½ % 85-87	.. ..	71½	Treasury 5½ % 08-12	.. ..	44½
Treasury 13 % 1990	.. ..	94½	Treasury 2½ %	.. ..	19
Treasury 12½ % 1993	.. ..	90½	War Loan 3½ %	.. ..	28½

Retail Price Index (Jan 1974 = 100)

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2	235.6		

Tax and Price Index (Jan 1978 = 100)

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2	117.6		

HAVE YOU CLIENTS EMIGRATING?

A full range of banking services including investment advice and assistance with forward planning is available to those considering permanent residence abroad.

Please write for further information to:-
Mr. A.G. Taylor, Director.

HAMBROS BANK (GUERNSEY) LIMITED

P.O. Box 6, St. Peter Port,
Guernsey, Channel Islands.
Telephone: 0481 26521
INTERNATIONAL BANKERS

Copies of the latest balance sheet and accounts are available upon request.



JOHN D. WOOD



Managing Property is our business

Property Management
Development Analysis, Project Management
Rent Reviews and Lease Renewals
Offices, Shops, Factories and Warehouses
Investments, Developments
Sales, Lettings, Acquisitions,
Town Planning and Compensation
Valuations for all purposes,
Surveys and Auctions

JOHN D. WOOD

SURVEYORS, AUCTIONEERS, VALUERS AND ESTATE AGENTS

23 Berkeley Square London W1X 6AL
Telephone 01-629 9050 Telex 21242

also at Battersea, Chelsea, Kensington, Regents Park, City of London, Edinburgh, Port Talbot, Southampton, Horsham, Harpenden, Winchester and Paris

Martin & Pole, John D. Wood are at Market Place Reading, Earley, Mortimer, Henley, Caversham, Pangbourne, Goring-on-Thames, Thatcham and Newbury

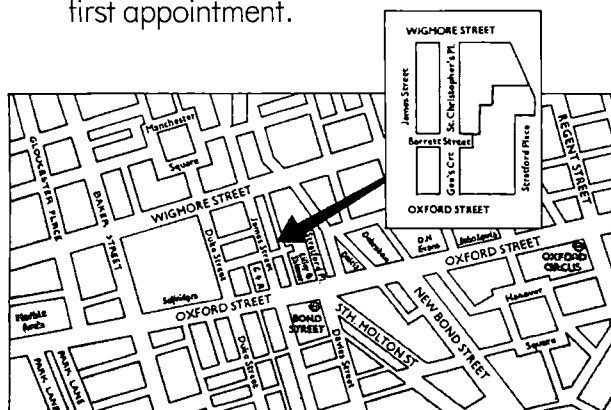
Don't guess, the professionals can advise.

Presley

THE GENTLEMAN'S BARBER

The girls from Samson & Delilah, are pleased to announce the opening of a new salon on the 26th November, at 3/5 Barrett Street, London W1.

Telephone 01 935 0973 for your first appointment.



Taxation Error

Students worried, Institute, silent

Chartered accountant students' representatives are extremely concerned about the consequences of the mistake in the October PEI Taxation paper, when candidates were unable to answer question 6 because certain information pertaining to the purchase of shares was missing (*The Accountant*, November 15th). Those who actually took the exam may well wonder how the paper can be marked fairly. It has been said that in some exam centres the missing information was not noticed until a telephone call from the Institute at 3.15 – the exam started at 2 o'clock!

The problem of how to ensure that no candidate suffers as a result is a difficult one to solve. Question 6 was apparently the least difficult, so it seems likely that most candidates would turn to it first. It also contains fairly detailed information and takes time to read through. It is hard to gauge the effect on a candidate, nervous but primed for an examination, who finds that he or she cannot solve the simplest question on the paper. The likelihood of some fault in the question itself would not occur instantly to most candidates and the chances are that they would have had to re-read it several times before coming to this conclusion.

There is obviously no way of distinguishing between a candidate who wasted fifteen minutes on the question and one who read it through once and returned to it only when the invigilator announced the mistake.

It is these psychological aspects which worry Neil Haines, the CASSL chairman. He considers that there is no fair way of marking the paper and that all students should have the benefit of the

doubt. His own opinion is that there should be no outright failures on the paper and that even last chance candidates should be referred. When students were informed of the mistake and told to decide on a reasonable figure, it added a new dimension to the question. Some students may have chosen a figure arbitrarily and gone on with it while others may have considered they had to spend some time thinking about it.

Judi Geisler, ACASS Treasurer, feels the incident is not so serious in itself, more so is the fact that it could have happened at all and that it could have been far worse.

Obviously time lost in re-reading the question would have to be taken into account, and she also suggests that every candidate's eventual marks be grossed up.

ACASS President Ian Davies is 'extremely concerned that such an error can slip through undetected' and points out that it is the third major error recently concerning examinations.

Like Neil, he is not convinced that a method fair to all could be devised. All candidates should be given a new minimum pass rate and referred, even then, if they do not reach it. The likely loss of confidence after attempting the question should be taken into account.

And what of those students who were unlucky enough to be sitting the problem paper? We would be interested to hear more of their opinions. None of those we have heard from realised that anything was wrong with the question – some read it over and over again in vain attempts to discover what was missing

and others put it to one side until the invigilator made his announcement. It seems fair to assume that most, if not all, other candidates had attempted the question before this.

The ICAEW meanwhile is preserving a tight-lipped silence, and last week had nothing to add to the original announcement. No definitive information is therefore available as to how the official assurance that 'all possible steps will be taken to ensure that candidates do not suffer as a result' will be implemented – particularly in its application to candidates who may have been making their last permitted attempt at the examination.

It is known that standing instructions issued to Institute examiners and invigilators before each examination make provision for possible emergencies. An invigilator, for example, would be within his discretion to allow a reasonable amount of extra time in the event of interruption or disturbance during a paper.

On the other hand, since all exam administration and marking is done under candidates' numbers only, there is no means whereby an examiner, at the time of making his assessment of a paper, can tell whether the candidate is sitting for the first or the last permitted time. Clearly there may be room for more than one point of view as to whether this factor, taken in isolation, should be allowed to affect the examiner's discretion – even in the wholly exceptional circumstances of this latest PEI.

Student representatives are not prepared to wait until the examiners' report published and there will be a lot of questions asked at the next meeting of the Education and Training Committee, on January 10th (the meeting on December 4th was cancelled). If the examiners have a problem with the confidentiality of their workings, Ian Davies says, 'they also have a problem of accountability.'

MAKE SURE OF YOUR ACCOUNTANCY EXAMS

You know the career advantages of being qualified, so make sure you don't waste any time in passing your Accountancy exams. Study them at home with a Rapid Results College course. More than fifty years of correspondence tuition

has produced over 340,000 passes. As well as passing your Accountancy exams you can widen your prospects by studying for the Institute of Chartered Secretaries and Administrators, Institute of Taxation and for other specialised

professional qualifications. Send today for our Free 100 page book giving details of courses for A.C.A., A.C.C.A., I.C.M.A., I.A.S and for other major Accountancy exams. Banking, Law, Local Government, Management, Marketing, etc.

The Rapid Results College, Dept AH6, Tuition House, London SW19 4DS

Telephone 01-947 7272 or ring 01-946 1102 (24-hour Recordacall) for Prospectus requests

Golden Handshakes

by FÉLICE V. SLADE, FCA
Chart Foulks Lynch Ltd

Golden handshakes, or what the Taxes Act more formally calls 'Payments on retirement or removal from office or employment', originally acquired their popular name because, before April 6th, 1960, they were usually tax-free. Now they rank for top-slicing relief – the subject of a 'Roundabout' article on November 15th.

Before considering the taxation exigible on golden handshakes, it must be emphasised that any payment on termination of employment to which a director or other employee has a legal title under a service agreement is within the general charge of Schedule E and is not chargeable under section 187 of the Taxes Act 1970. The same applies to benefits in kind, which must be distinguished between those derived for services rendered (chargeable under Schedule E) and benefits arising in consequence of the termination of the office or employment (chargeable under section 187, subject to the exemptions and reliefs available under section 188). Thus both statutory and non-statutory redundancy payments are treated as made *ex gratia*.

Principal exemptions

The chief exemptions are:

- (1) Payments arising from termination of employment by the death or disability of the employee;
- (2) Sums chargeable under section 34, Taxes Act 1970 being consideration for certain restrictive covenants and dealt with in the last paragraph of this article;
- (3) Terminal grants to members of HM Forces;
- (4) Payments where certain foreign service is included.

There was also the important exemption of the first £5,000 of the payment and that amount remained unchanged until, 18 years later, section 24 of the Finance Act 1978 increased it to £10,000 in respect of any payment relating to a termination after April 6th, 1978.

There was no reference to golden

handshakes in the 1978 Finance Bill, the provisions being added during the debate in Parliament. It was stated, at the time, that the increase was to encourage the acceptance of redundancy in the interests of the economy and to reduce the tax disadvantages for redundant employees of taking up new employment without delay. The significance of the latter point is explained in Example 2.

Golden handshakes can take the form of compensation for loss of office or *ex gratia* payments on retirement, and may sometimes be a combination of the two.

Compensation for loss of office means, briefly, compensation for a breach of the service agreement by the employer – eg, on a takeover; if the employer does not pay compensation in these circumstances, the employee can sue for it in the Courts. The Inland Revenue do not now regard statutory redundancy payments under the Redundancy Payments Act 1965 (as re-enacted in the Employment Protection (Consolidation) Act 1978) as payments of compensation for loss of office, on the grounds that the Industrial Tribunal to which the employee might be entitled to resort is not, in their view, a 'court' for the purposes of Schedule 8, Taxes Act 1970.

Ex gratia retirement payments

Ex gratia payments, on the other hand, are payments which are not legally enforceable. Since June 22nd, 1978, the Inland Revenue have regarded payments in lieu of notice as not being payments of compensation for loss of office and these are now dealt with as *ex gratia* payments.

Compensation for loss of office and

voluntary payments on retirement must be distinguished because:

- (1) in the case of *ex gratia* payments the basic exemption of £10,000 (formerly £5,000) can be increased to what is called 'the standard capital superannuation benefit' (SCSB) if that is larger; and
- (2) the time factor in the top-slicing relief formula is different.

The Ombudsman's report for the quarter to January 31st, 1979, includes an interesting case where a taxpayer had been incorrectly advised by his Inspector that his redundancy payment would be treated as compensation for loss of office. When it was ultimately taxed as an *ex gratia* payment the Ombudsman, on having the case referred to him, succeeded in obtaining from the Revenue a sum of £1,243.75 for the taxpayer for the financial loss and inconvenience arising from the incorrect advice. Tax offices may now be reluctant to offer 'advice' or to express a ruling, if this may be challenged on some future occasion!

Standard capital superannuation benefit

The SCSB is defined as the sum which is the average of the last three years' emoluments, multiplied by the number of complete years of service and divided by 20. Clearly the SCSB will be particularly beneficial after long service and with a high salary in the closing years.

As the SCSB roughly equates with the sort of lump sum payment on retirement that an employee might ordinarily expect from a pension scheme, it is reasonable that any tax-free cash benefits receivable under an approved superannuation scheme must be deducted in calculating the SCSB (at their current value at the time of cessation of employment, which is not necessarily the nominal amount at the normal retirement date). This is in accordance with section 24 of the Finance Act 1978, and applies to *ex gratia* payments made after May 16th, 1978.

Previously the lump sum actually received as a pension rights commutation, or the present value of the future entitlement to such rights, was deducted in the SCSB calculation. The provision in the Finance Act 1978 was intended to counter the device whereby an employee

Student Roundabout

waived his right to commute part of his pension for a tax-free lump sum; then drew his pension in full and was awarded a larger *ex gratia* payment, which did not affect the amount of the SCSB.

Top-slicing relief for compensation for loss of office

The charge to tax arises on the date of the termination. However, if either compensation for loss of office or a voluntary payment on retirement were wholly included in one year's total income without any form of relief, the taxpayer would be taxed at a disproportionately high marginal rate of tax. Top-slicing relief is therefore available, to give the effect of spreading the charge over a number of years.

The steps to be taken in calculating the top-slicing relief are laid down in paragraph 7 of Schedule 8 of the Taxes Act 1970 and for compensation for loss of office may be summarized as follows:

- (a) calculate the tax that would be chargeable if the whole of the compensation other than the first £10,000 were taxable income of the one year in which the loss of office occurred;
- (b) calculate the tax chargeable for the year if there were no compensation;
- (c) calculate the tax that would be chargeable if:
 - (i) only the 'appropriate fraction' (defined below) of the assessable compensation had been paid, and
 - (ii) no part of the compensation had been paid,
 in both instances disregarding other emoluments of the terminated employment;
- (d) calculate the difference between (a) above and the sum of (b) and the 'appropriate multiple' (explained below) of the difference between (c) (i) and (c) (ii). This represents the top-slicing relief to be deducted from the tax chargeable under (a) to arrive at the true liability.

The expressions 'appropriate fraction' in (c) (i), and 'appropriate multiple' in (d) in relation to a payment of compensation for loss of office, mean one divided by the number of years of unexpired service and that number of years respectively. The number of years of unexpired service is the further number of years for which the individual would have been

entitled in the ordinary way to retain the employment. If the period contains part of a year it is treated as the next *higher* number of complete years. The following example should help to clarify what is admittedly a complicated piece of legislation.

Example 1

CLO, a married man, had a service agreement with A Ltd for seven years from January 1st, 1978 to December 31st, 1984. Due to a takeover he became redundant on November 30th, 1978, his salary having been £9,000 pa since January 1st, 1978, and he was paid compensation for loss of office amounting to £15,000. CLO did not qualify for redundancy pay. He obtained new

employment with B Ltd on February 1st, 1979 at a salary of £12,000 pa. The unexpired period is $6\frac{1}{12}$ th years, so that the 'appropriate fraction' is $\frac{1}{7}$ th and the 'appropriate multiple' 7. Taking the four steps (a) to (d), outlined above, the computations for 1978-79 are shown in table 1.

If no compensation had been paid, the tax liability for 1978-79 would have been, as in (b), £2,073. The additional tax payable by reason of the receipt of the compensation of £15,000 is therefore £1,491 (£3,564 - £2,073), less than 10 per cent of the lump sum receipt. This is of importance to the client, who is primarily interested in how much of the lump sum there will be left to spend.

Table 1	£	
(a) Salary A Ltd $\frac{8}{12} \times £9,000$	6,000	
Compensation (less exempt £10,000)	5,000	
Salary B Ltd $\frac{2}{12} \times £12,000$	2,000	
	<u>13,000</u>	
Less: Personal allowance	1,535	
Taxable income	<u>£11,465</u>	
Income tax on £11,000	3,930	
Income tax on £465 at 55 per cent	256	
	<u>£4,186</u>	
(b) Salary A Ltd	£6,000	
Salary B Ltd	2,000	
	<u>£8,000</u>	
Income tax on £8,000 less personal allowance	<u>£2,073</u>	
(c) (i) $\frac{1}{7}$ th compensation	£714	
Salary B Ltd	2,000	
	<u>£2,714</u>	
Income tax on £2,714 less personal allowance	<u>£329</u>	
(ii) Salary B Ltd	<u>£2,000</u>	
Income tax on £2,000 less personal allowance	<u>£116</u>	
(d) Top-slicing relief		
(a) - [(b) + 7(c (i) - c (ii))]		
£4,186 - (£2,073 + 7(329 - 116))		<u>£622</u>
Total liability before top-slicing relief (a)	£4,186	
Less: Top-slicing relief (d)	622	
Total liability after top-slicing relief	<u>£3,564</u>	

Student Roundabout

Tax planning

The taxpayer may not realise until too late that he would in fact have been better off by deferring acceptance of a new appointment until after the end of the fiscal year for which his terminal payment is assessable.

Example 2

In Example 1, if the employment with B Ltd had not started until 1979–80 (and the lump sum had not been invested to produce assessable income) (c) (i) and (ii) would have shown a nil liability, while (a) and (b) would have been as shown in table 2.

The top-slicing relief would then be £3,189 – £1,413 = £1,776 and the total liability after top-slicing relief would be £3,189 – £1,776 = £1,413. The comparison of net spendable income would be as shown in table 3.

CLO would therefore have been better off by £151 (£9,587 – £9,436) if he had not earned £2,000 of salary from B Ltd in 1978–79! That £2,000 was effectively taxed at 107.55 per cent and the position would have been even worse if he had invested the £15,000 compensation and received investment income during 1978–79. The answer seems to be to get yourself fired, or to retire as late in the fiscal year as possible.

The Chief Secretary to the Treasury said, during the debate on the 1978 Finance Bill, 'If [the employee] takes another job during the year in question, it is reasonable that there should not be the maximum amount of top-slicing relief'. The employee himself is unlikely to agree with him.

To understand the formula fully, it is essential to realise that to go directly to the tax liability after giving top-slicing relief (which is what an exam question might ask for), one has only to calculate, in Example 1, (b) + 7 ((c) (i) – (c) (ii)) ie, £2,073 + 7(329 – 116) = £3,564. In other words, it is unnecessary to calculate (a).

Also, it should not be overlooked that top-slicing relief may be worth claiming where there is compensation for loss of office and a 'spread' of only one year – ie, the period of unexpired service does not exceed 12 months. This is because of the exclusion of other emoluments from the same employment in calculating the tax under (c) in the formula.

Table 2

(a) Taxable income

Income tax on £9,000
Income tax on £465 at 45 per cent

(b) Salary A Ltd

Income tax on £6,000 less personal allowance

£	£
9,465	
£	
2,980	
209	
	£3,189
£6,000	
	£1,413

Top-slicing relief for *ex gratia* retirement payments

In the case of a voluntary payment on retirement, the standard capital superannuation benefit must be calculated, in the hope that it will amount to more than the basic exemption of £10,000. In all other respects the steps (a) to (d) described above are the same with the substitution of 'voluntary payment' for 'compensation'. The 'appropriate fraction' which in compensation cases, it will be recalled, is the number of years of unexpired service, is, in *ex gratia* cases, always $\frac{1}{16}$ th and the 'appropriate multiple' 6.

Example 3

Johnson, a married man, retired on March 31st, 1979, at the age of 65, after 26½ years' service with ABC Ltd. His emoluments (remuneration, including any benefits in kind, less any allowable expenses but before deduction of pension contributions) for the company's years ended March 31st, 1977, 1978 and 1979 had been £13,000, £14,000 and £15,000, respectively. In recognition of his long and valuable service, he received an *ex gratia* payment of £16,000 and retained a company car worth £3,000. He was a member of the company's approved superannuation benefit scheme which provides a lump sum on retirement at age 65, and he received £8,500 (tax free).

As Johnson did not receive any income in 1978–79, after retirement, from any

other source, the formula for his total tax liability for that year, after top-slicing relief, becomes (b) + 6 ((c) (i) – nil), while the tax on the *ex gratia* payment is 6 ((c) (i) – nil). See table 5.

For Johnson, therefore, the total liability is (b) because the tax on the *ex gratia* payment is nil, which confirms what the Chief Secretary to the Treasury said during the debate on the 1978 Finance Bill: 'A married man with no allowance and no other income in the tax year will have no tax liability on a total (termination payment) of £19,000 in that year'. That £19,000 is amply covered by the basic exemption of £10,000 plus six years' married personal allowance of £1,535 pa (1978–79). It is anomalous that a single man or woman could have only about £15,900 tax free instead of £19,000.

It will be seen from the simple Example 3 above in relation to Johnson that what is usually referred to as top-slicing in relation to golden handshakes is quite different from the top-slicing described in the previous article in relation to such items as premiums on leases.

Top-slicing relief must be claimed within six years after the year of assessment in which the termination of the employment took place. In practice, it is likely to be claimed after receipt of the Schedule E notice of assessment. The payer of the compensation or *ex gratia* payment must notify the Revenue within

Table 3

Income
Less: Total income tax liability after top-slicing relief
Net spendable income

If B Ltd salary not received	If B Ltd salary not received
£	£
13,000	11,000
3,564	1,413
£9,436	£9,587

Student Roundabout

Table 4

Standard capital superannuation benefit

Average annual emoluments for last 3 years of service × $\frac{\text{complete years of service}}{20}$	
$\frac{£(13,000 + 14,000 + 15,000)}{3} \times \frac{26}{20}$	
$\frac{£42,000}{3} \times \frac{26}{20} =$	£18,200
Less: Lump sum from pension scheme	8,500
(Inapplicable as not greater than £10,000)	£9,700
Chargeable amount:	£
Ex gratia payment (£16,000 + £3,000)	19,000
Less: Exempt	10,000
	£9,000

30 days after the year of assessment in which the payment was made.

The following extract from paragraph 51 of the 'Employer's Guide' to PAYE explains the provisions for avoiding an overpayment of income tax on lump sum payments:

'The inclusion of terminal payments in pay may result in the deduction of tax in excess of an employee's actual liability. If before the lump sum is actually paid it is clear that tax will be deductible from the excess of the terminal payment over £10,000 by reference to Table C or D of the Tax Tables the Inspector should be notified by letter of:

- the amount of the terminal payment and proposed date of payment;
- the total pay to date and tax deducted;
- the amount of any further pay due to the end of the employment and the proposed date of payment.

Wherever possible the Tax Office will authorise a reduced tax deduction in line with the employee's actual liability.'

If an authority is not received by the date of payment and payment is made

before Form P45 is given to the employee, tax should be deducted from the excess of the terminal payment over £10,000 in the normal way. If payment is made after Form P45 is given to the employee, income tax is to be deducted at the basic rate only.

It should be mentioned that for retirement annuity relief purposes in the case of a non-pensionable employment, the full amount of the chargeable sum (payment less the £10,000 exemption) ranks as relevant earnings of the one year of assessment.

Passing reference should also be made to Extra-Statutory Concession A24, which provides a small measure of additional relief where a long service award takes the form of tangible objects:

'Tax is not charged in respect of awards, made to directors and employees as testimonials to mark long service, which take the form of tangible articles of reasonable cost when the relevant period of service is not less than 20 years and no similar award has been made to the recipient within the previous ten years. An article may be taken to be of reasonable cost where the cost to the

employer does not exceed £3 for each year of service.'

Reference was made in the earlier article on top-slicing to an Institute of Taxation question on top-slicing in relation to a golden handshake in Paper I of the November 1978 Associateship Final examination. It is perhaps appropriate to mention here the tax treatment of a payment received under a restrictive covenant, for such a receipt as well as a golden handshake was included in the exam question.

It will be recalled that consideration for restrictive covenants is excluded from the treatment of golden handshakes. Consideration for a restrictive covenant is receivable by an employee who on leaving his job gives to his employer an undertaking (whether legally valid or not) which restricts the employee's activities; eg, a hairdresser might undertake not to work as such within a radius of two miles from his former employer's salon. Restrictive covenants may be given by an individual who holds, has held, or is about to hold, an office or employment: see section 34, Taxes Act, 1970.

The gross equivalent of the sum received is charged to income tax at the excess of higher rates over basic rate and to investment income surcharge as *unearned* income (not under Schedule E but as an addition to total income of the fiscal year in which it was received). In no circumstances can a repayment be made of the basic rate tax deemed to have been suffered.

Top-slicing relief is not available in respect of consideration for restrictive covenants. If a golden handshake and a payment under a restrictive covenant are received the latter is not treated as emoluments of the terminated employment in the computation of top-slicing of the golden handshake. The payer of the consideration for the undertaking must give particulars to the Inspector within one month of the end of the fiscal year in which the payment was made. No deduction is allowed for such consideration in computing adjusted profits.

Top-slicing, in one form or another, now features more frequently than formerly in exams, though admittedly golden handshakes are still reserved for such advanced exams as the Institute of Taxation Associateship.

Table 5

(b) Salary ABC Ltd	£
Less: Personal allowance	15,000
	1,535
	£13,465
	£
Income tax on £12,500	4,755
Income tax on £965 at 60 per cent	579
	£5,334
(c) (i) 1/6th of £9,000	1,500
Less: Personal allowance	1,535
	Nil
Income tax on ex gratia payment	Nil

Notice Board

PROFESSIONAL NOTICES

Bulley Davey & Co of Peterborough and Davey Grover & Tunnard of St Neots announce that they have entered into a working arrangement with S. G. Banister & Co, of 15 Golden Square, London W1R 4DH.

Price Waterhouse & Co announce that agreement has been reached for a merger with the Birmingham firm of Tansley Witt & Co. Mr Peter H. B. Cadman, MA, FCA, became a partner in Price Waterhouse & Co on November 1st, 1979, and Mr Lewis Owen, FCA, became a consultant on that date. Both will be based at Livery House, 169 Edmund Street (PO Box 120), Birmingham B3 2JB.

Tansley Witt & Co, Birmingham firm, announce that agreement has been reached to merge with Price Waterhouse & Co. Tansley Witt & Co, Birmingham firm, moved to Livery House, 169 Edmund Street (PO Box 120), Birm-

ingham B3 2JB on November 10th, 1979, and Mr Lewis Owen, FCA, and Mr Peter H. B. Cadman, MA, FCA, will continue as partners in Tansley Witt & Co, Birmingham firm, until April 30th, 1980.

APPOINTMENTS

Mr Douglas W. Brothie, FCA, has been appointed group financial controller of Redman Heenan International.

Mr A. D. Cameron, CA, has been appointed financial director and a member of the executive board of Ransomes Sims and Jefferies.



Mr A. D. Cameron



Mr D. Trimby

Mr David Trimby, TD, BA, FCA, has been appointed to the board of Mears Contractors Ltd, as financial director and company secretary.

VISITING SCHOLARSHIP AT NUFFIELD COLLEGE

Dr Donald Edwards, J. M. Tull Professor of Accounting at the University of Georgia and a board member of the American Institute of Certified Public Accountants, has been named by Nuffield College, Oxford, as a Visiting Scholar. He will be working with Professor Robert Tricker and the Corporate Policy Group on aspects of standard-setting and corporate regulation.

The older universities have been traditionally slow to recognise accountancy as an academic discipline, and Dr Edwards' appointment is believed to be the first of its kind in an Oxford college.

The Institute of Chartered Accountants in England and Wales

Disciplinary Committee, 25 September 1979

1. John Alfred David Robinson, FCA, of 26 Bromleigh Court, Sydenham Hill, London SE23 having been found guilty of misconduct within the meaning of bye-law 78 (a)

in that he at London during March 1979, when applying for a vacancy as group financial controller with company A, submitted a *curriculum vitae* which deliberately mis-stated that since January 1977 he had been employed by company B as divisional accountant, when he well knew that since June 1976 he had been employed by company B as a group internal auditor

was REPRIMANDED and ordered to pay the sum of £250 by way of costs.

2. Keith John Moore, FCA, of 201 Holland Park Avenue, London W11 having been found guilty of misconduct within the meaning of bye-law 78 (a)

(a) in that he at London without good cause on 9th November 1978 having addressed a letter to a firm of

chartered accountants in reply to six communications, the first of which was dated 10th April 1978, promising to provide certain information relating to the affairs of a client and his companies by 13th November 1978, nevertheless failed to do so by 4th June 1979

(b) and in that he at London without good cause between February 1979 and June 1979 failed to acknowledge or reply to four communications addressed to him by the Institute, concerning a complaint against his professional conduct

was REPRIMANDED and ordered to pay the sum of £250 by way of costs.

As Mr Moore failed to pay the costs by the due date, he ceased to be a member of the Institute on Friday, 2nd November 1979.

3. A member having been found guilty of misconduct within the meaning of bye-law 78 (a)

(a) in that on 17th July 1978, he signed an audit report on the accounts of a limited liability company for the period ending 31st January 1978 which he failed to qualify, despite the fact that the accounts did not comply with Statements 3, 6, 9 and 10 of Standard Accounting Practice

(b) and in that on 17th July 1978 he signed an audit report on the accounts of a limited liability company for the period ending 31st January 1978 which stated that the accounts complied with the Companies Act 1948 to 1967 when in fact the accounts did not comply with section 155 (as amended) and section 196 (ii) of the Companies Act 1948 and the following provisions contained in the Companies Act 1967:

Schedule 2, paragraphs 8 (iv), 11 (iii), 11 (vi.a), 13a (iv), 14 (iii) and (iii.a), section 3 (i) and section 6 (ii) and (iv);

was REPRIMANDED, but the Committee considered that special circumstances existed justifying the omission of his name from the publication of the Finding and Order. He was further ordered to pay the sum of £250 by way of costs.

A MINI COMPUTER SYSTEM
DESIGNED BY
ACCOUNTANTS
USED BY ACCOUNTANTS

- Time Recording
- Incomplete Records
- Company Accounts
- Fees Ledger
- Expenses Ledger
- Word Processing

This system is used throughout the UK by small and large firms of accountants, including the offices of two of the country's leading practices. It is available either on a computer on your own premises, or for the smaller practice, as a service offered by several computer bureaux.

Jenson also offer a complete range of commercial systems which will allow you to offer computing services to your clients. These systems include payroll, ledgers, stock control and order entry.

**Jenson Computer Systems Limited, 30 Queen Square,
Bristol, Avon BS1 4ND. Tel: 0272 211127**

**For further information ring
Paul Williams or Brian Johnson.**

Plan for the future around this table...

Retirement Plans for Directors and Key Personnel from Royal Insurance

ON DEATH IN SERVICE				AT RETIREMENT	
Male Age Next Birthday	Minimum Sum Assured	Estimated Claim Value at age 64	Annual Premium	Annual Premium	Estimated Retirement Fund at age 65
	£	£	£	£	£
30	10,000	66,434	54.90	1,000	424,528
35	10,000	48,772	66.00	1,000	246,575
40	10,000	36,352	81.00	1,000	142,405
45	10,000	27,241	100.50	1,000	79,505
50	10,000	20,597	124.80	1,000	41,322
55	10,000	15,926	161.20	1,000	19,560
60	10,000	12,499	214.20	1,000	7,027

Note 1. In addition to the total annual premium above there is a policy charge of £11. Note 2. The premium for death in service cover assumes acceptance at normal rates of

premium. Note 3. The estimated figures assume that compound bonuses are declared every 3 years and added throughout at the current insertion rate of £4.60% p.a. on the

basic benefit plus a Super Bonus of £2.60% p.a. making £7.20% p.a. on existing bonuses.

... A solid table of benefits to cover the future needs of every director and key employee. An opportunity from Royal Insurance to provide for company and executive alike.

For the executive there is the security of:-

A tax free lump sum on retirement of up to 1½ times final salary.

PLUS A pension for life and thereafter for his family.

PLUS Substantial life cover which is normally free from capital transfer tax.

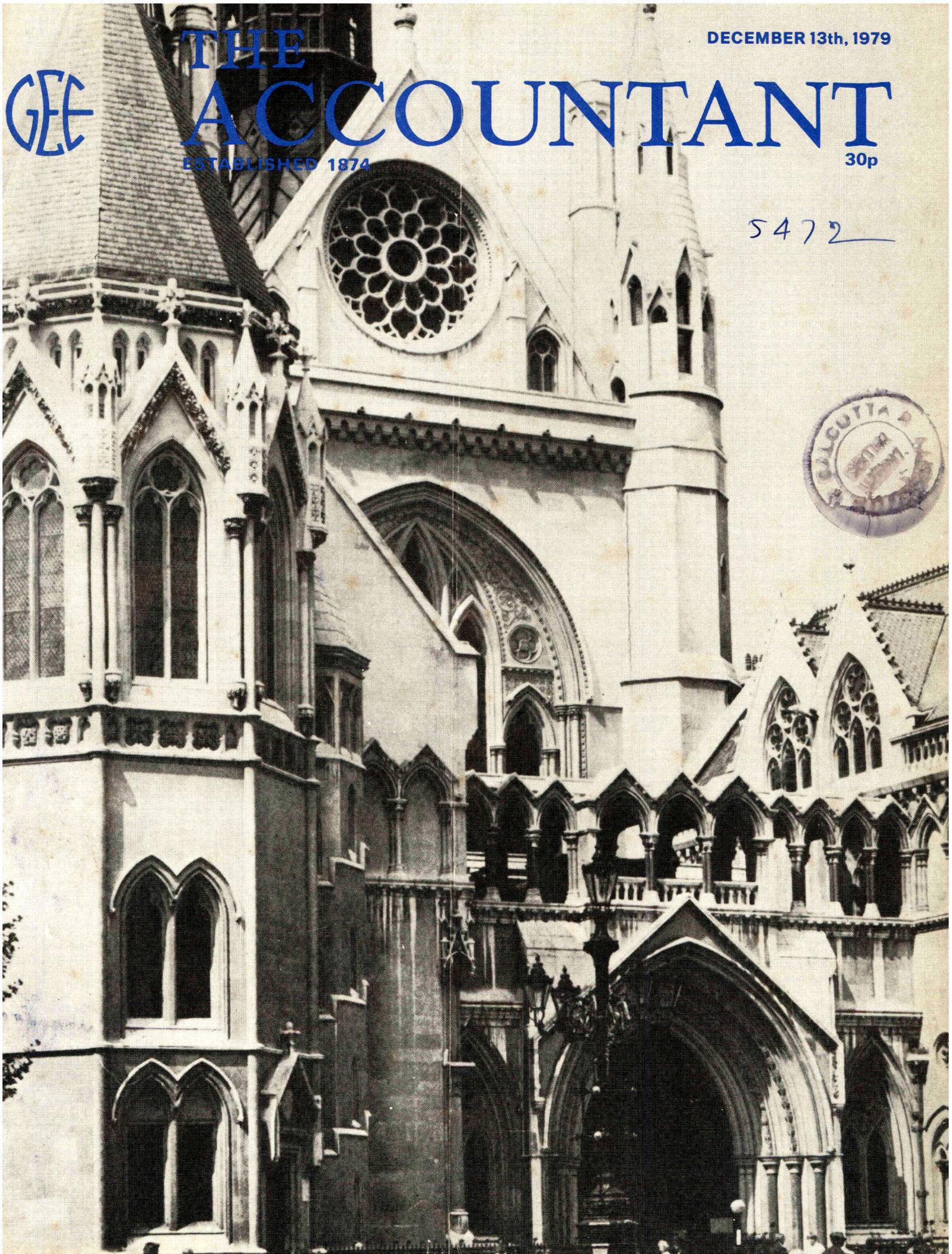
For the company the plan provides the dual benefits of worthwhile protection for deserving senior executives coupled with optimum economy on existing levels of corporation tax.

Gathering around this table is a wise and protective way to plan for the future. Let us plan a secure future for you and your clients.

Royal Insurance
A leader for life



18 MAR 1980



G&C

THE

ACCOUNTANT

ESTABLISHED 1874

DECEMBER 13th, 1979

30p

5472





Victoria Valuers

stocktaking
inventories
and asset
valuations

9 Golden Square
London W1R 3AF
01 434 1718

**industrial
retail
wholesale**

stocktakers and advisers on stocktaking procedures



**ASSETS NOW
£100,000,000**

People do better with us

Our policy at Property Owners Building Society is very simple – it is to offer the investor the best possible rate of interest and to ensure that a loan is available to a home-buyer when it's needed.

And we back this up with a prompt, personal service.

We offer a wide choice of savings and investment facilities (almost all paying a better rate of interest than most other societies). So you can recommend your clients to come to us – with confidence.

If you would like to know more about us, please write or telephone for our latest Accounts and full details of our investment facilities.

These are our current rates :-

SHARES (for immediate withdrawal)	11.00% equal to 15.71%*
MONTHLY INCOME SHARES (withdrawals at 1 month's notice)	11.00% equal to 15.71%*
SUPERSHARES (withdrawals at 3 month's notice)	11.55% equal to 16.50%*
MONTHLY SAVINGS	12.25% equal to 17.50%*

*with tax paid at 30%

PROPERTY OWNERS BUILDING SOCIETY

4 Cavendish Place, London W1M 0AQ. Tel: 01-637 3041

Member of the Building Societies Association.
A Trustee Society. Total Assets exceed £100 million.

Editor:
M. Barradell, LLB, FCA
151 Strand
London WC2R 1JJ
Telephone 01-836 0832

THE ACCOUNTANT

ESTABLISHED 1874

The Professional Weekly

Vol. 181. No. 5472

DECEMBER 13th, 1979

In this Issue

838

Spur for ED24

844

Inflation – FAS 33 and All That
Edward Symonds

849

Companies, Inflation and
Taxation
Rt Hon Gordon Richardson,
MBE, TD

854

Converting Capital Into Policies
Insurance Correspondent

862

Retention of Title by the
Unpaid Vendor
John Gullick, MA, ACIS,
Solicitor

866

Past History, Futures Gain

Current Affairs	838
This is My Life	841
Accountant Abroad	844
Revenue Report	854
Reviews	857
Current Law	862
Financial Accountant	866
City Notes	872
Student Roundabout	873
Notice Board	876

Cover: 'Current Law' returns to
The Accountant this week, on
page 862.

Sound Judgment

Lord Denning, Master of the Rolls, has made a distinctive contribution to judicial history. His robust, and at times unconventional, approach to the doctrine of judicial precedent has been a subject of comment within the legal profession, and has more than once earned him a place in our own 'Current Law' columns. He has been commended (perhaps, if we may say so, with some degree of over-simplification) in such terms as 'the plain man's judge' and for 'a common-sense approach to the law'.

Presiding last week over a divided Court of Appeal in the *Whitehouse* case, Lord Denning delivered a judgment which, though addressed immediately to the circumstances of a consultant obstetrician, has conspicuous implications for members of other professions: 'We must say, and say firmly that, in a professional man, an error of judgment is not negligent.' Another member of the Court, Lord Justice Lawton, added a warning that failure to produce an expected result should not of itself be seen as strong evidence of negligence.

There can be no doubt that these rulings represent a significant check to a current of opinion that, flowing strongly in the USA, has also made itself felt in Britain and threatens to place every professional adviser in the position of an insurer. The old saying that 'hard cases make bad law' has much truth in it; the particular circumstances of the *Whitehouse* tragedy are finely calculated to arouse human emotions, but their lordships were, in our view, undoubtedly right in refusing to lend the weight of the law to the concept of 'defensive practice'.

'Defensive practice' is already a phenomenon of the American medical scene, though recent trends in litigation may well lead other professions to adopt a similar approach. When major 'malpractice' claims represent a real hazard to even the most able and conscientious practitioner, the fact that professional indemnity cover can no longer be obtained on realistic terms becomes no more than a detail; the gravamen of the matter, in its effect upon the doctor-patient (or practitioner-client) relationship is that advice and treatment may actually be refused in potentially complex and hazardous situations, and that whatever measures may be prescribed will owe more to the practitioner's need to safeguard his own future position than to the immediate needs of his patient or client.

Professional men generally, and practising accountants in particular, are not insurers, and no client is entitled to expect, as a pre-condition, that the advice given will produce a guaranteed result. Professional advice is given to the best of the practitioner's knowledge and ability, based on arduous study and considerable experience; but there is no known combination of study and experience which can guarantee infallibility. The Court of Appeal has earned the gratitude of all professional men and women in making this truism more widely known.



Spur for ED24

A recent message from the Institute of Directors 'warmly congratulates the Inflation Accounting Steering Group and Accounting Standards Committee on producing a workable system of CCA which deserves the wide consensus of support it has received'. They believe that ED24 has 'the right approach ie, a simple system based to a large extent on the use of published indices and an initial flexible standard to be tightened up in due course'.

Because value is inherently uncertain, says the Institute, any CCA system is bound to involve a degree of approximation and subjectivity, so the perfection of the ideal system would be illusory. It is time to stop the search for the perfect system (unattainable without a conceptual framework) and try to make a system work.

The IOD has urged the ASC to make a categorical statement that any accounting standard based on ED24 will be applied to all companies in due course. A period of two years would, they believe, be sufficient for formulating tighter guidelines, particularly on monetary working capital adjustment, in the light of experience; for solving the implementation problems for small firms, and solving the problems of application to those industries at present excluded.

They wholly support the points made by the CBI on the gearing adjustment and its presentation in the profit and loss account. The distinction between profits of the business and profits attributable to shareholders is elegant; but this is perhaps a case in which elegance may have to be sacrificed to the realities of human behaviour.

reported of unlawful 'pressure selling' [see, for example, *The Accountant*, May 21st, 1970] in the supply of office stationery.

Copies of the full text of the report are available from the Commission at 18 George Street, Edinburgh (031-226 7346), price 50p.

Rise in Private Invisible Earnings

A new record of £4,903 million for Britain's gross private invisible earnings was announced this month by the Committee on Invisible Exports - bringing invisible earnings for the first three-quarters of the year to £13,941 million, an increase of 12½ per cent over the same period in 1978.

Service industry receipts rose by £197 million, reflecting a sharp recovery in commodity trading earnings and a marked growth in UK airlines' revenue. While tourist receipts show only a marginal increase and shipping earnings remain static, receipts of interest, profits and dividends continued to grow due, particularly to further expansion of UK oil companies' overseas earnings.

The net surplus on private invisibles rose to £948 million. Payments of interest, profits and dividends continued to rise but less steeply than previously. Travel debits have risen by a third and oil IPD debits are five times higher than a year ago; in contrast, non-oil direct investment debits have fallen back to the average of the previous three quarters.

There was a general improvement in the Government's net deficit, which declined by £64 million. But the overall surplus for the first three-quarters of 1979 is almost 60 per cent lower than the same period last year, at £665 million, although the private surplus has declined by only 21 per cent.

Judgment Upheld

Damages exceeding £1½ million have been awarded against the German practice of Peat Marwick Mitchell in respect of 'misleading advice' over the purchase of the Frankfurt-based Bieberhaus electrical department store. The West German Federal High Court this week rejected Peat's appeal against an earlier judgment (*The Accountant*, November 2nd, 1978).



The founder chairman of the Small Businesses Bureau - Mr David Mitchell, Parliamentary Under-Secretary of State for Industry - welcomed to Chartered Accountants' Hall by the Vice-President, Mr H. B. Singer (right) for a recent session of the ICAEW Smaller Practitioner Advisory Committee. Also with the Minister are Mr Peter Dallow (left), chairman of the committee, and Mr Kenneth Sharp, head of the Government Accountancy Service.

Scottish Councils' Delayed Accounts

A substantial proportion, approaching half, of Scotland's local authorities are still out of time in the production of abstracts of their annual accounts. The recent fourth annual report of the Commission for Local Authority Accounts in Scotland claims 'a steady development of the audit service and continued improvement in the production of local authorities' annual accounts', but is driven to admit that, at September 30th, 1979, seven authorities had still not produced abstracts for 1977-78; even worse, 28 abstracts were outstanding from former local authorities relating to periods prior to the local government reorganisation of May 1975.

Fraud, the report states, is not a serious problem for local authorities, although 'the occasional more serious case is a reminder that neither authorities nor auditors can afford to relax their vigilance'. During the period covered by the report, auditors submitted 17 reports into frauds suspected or confirmed, and one case involving an estimated £30,000 was still under investigation. Cases have also been

Current Affairs

Accountants Say 'Stop Insiders Now'

Legislation to outlaw insider dealing 'should be enacted without further delay', according to a recent statement from the Consultative Committee of Accounting Bodies. The accountants see the Government's proposal to relate price-sensitive information to specific rather than general matters as an improvement; it narrows the scope of the prohibition and should make it easier for a director to decide whether or not a deal is illegal.

Nevertheless, the risk remains that legislation may have the effect of inhibiting legitimate activities in certain circumstances, for which reason CCAB would like it to be reviewed after experience of its operation.

Copies of the CCAB representations to the Department of Trade are available free on request (sae) from the Publications Department, PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2 2BJ quoting reference TR 367.

Professional History

Attractions of next year's International Congress of Accounting Historians, to be held in London from August 16th to 18th, 1980, will include a reception at Chartered Accountants' Hall and an opportunity to view the Institute's centenary exhibition of rare books. The opening paper at the Congress will be delivered by Professor Basil Yamey of the London School of Economics, under the title 'On Not Writing a General History of Accounting'.

The Congress registration fee is £25, and inquiries and applications should be addressed to Doctor G. A. Lee of the Department of Industrial Economics, University Park, Nottingham, not later than February 29th, 1980.

Burden of European Company Law

The number of company law directives, and the frequency with which they appear, are giving rise to a rapid succession of changes in the law which impose a considerable burden on the UK business community. In the recently expressed view of the Consultative Com-

mittee of Accountancy Bodies, these directives do not necessarily confer corresponding benefits on the public.

A recent letter from CCAB to the Department of Trade urges 'that all proposals for company law directives are closely scrutinised at an early stage on behalf of the member states themselves, with a view to the establishment of clear priorities as regards the importance of the proposals to the Community as a whole'. The immediate *casus belli* is the so-called 'scission' directive, relating to the situation of a company which, after being wound up without going into liquidation, transfers to more than one company the whole of its assets and liabilities in return for shares in the acquiring companies.

This draft, covering the converse of the principles expressed in EEC Directive No. 3 on mergers, relates to a situation which is relatively uncommon in the UK. The closest parallel in UK terms, according to the CCAB letter, is the reconstruction of a company by leave of the Court under sections 206 to 208 of the Companies Act 1948.

The full text of the CCAB letter is available on request (sae) from the Publication Department at Chartered Accountants' Hall, quoting reference TR 369.

Bowling a Maiden Over

The manufacturers of that Victorian sovereign specific, The Carbollic Smoke Ball, had sufficient confidence in their product to back its efficacy with a £100 guarantee. Unfortunately, Mrs Carlill suffered the twin effects both of this medicinal fumigation and of a nasty attack of influenza. The combined effects, it may be presumed, were acutely unpleasant; and, as every student knows, Mrs Carlill duly recovered her £100.

Another fine example of the 19th-century apothecary's art is still with us in the form of the Victorian Love Bath, marketed in a container of sufficient capacity for 'three sensuous baths.' Untrammelled by the Trade Descriptions Act, its original creator of 1863 claimed that the recipe of selected herbs had 'magical powers in inducing intense feelings of love, which are followed by pleasurable and often surprising experiences'. We know of an accountant who bought one of these delicate confections for his lady-love; but even investigative journalism has its limitations, and we cannot say whether he was seeking to place a new interpretation upon *Carlill v Carbollic Smoke Ball Co.*

Meanwhile, in the Far East, powdered rhinoceros horn commands huge prices by virtue of its presumed aphrodisiac powers – to the great concern of the World Wildlife Fund, since the theory is in any event completely spurious. The rhino has become an endangered species whose fate is dependent on man's eternal quest for a love potion. The irony, according to one recent survey, is that the romantic Chinese could get results that are just as effective – and far cheaper – by grinding up his own toenails.



A unique double distinction has been attained by Mr P. S. Newton, of Cardiff, administrative partner of the Percy Thomas Partnership, who was named recently as President-Designate of the Institute of Chartered Secretaries and Administrators for 1980.

Mr Newton is also a Past-President of the former Corporation of Secretaries, in which capacity he was closely concerned with the 1970 merger of the Corporation with the present Institute (*The Accountant*, June 18th, 1970). His son, a solicitor, is currently studying for Institute membership, and is chairman of the ICSA Cardiff Students' Society.

Current Affairs

Ethics for the Industrial Member

The ICAEW is to set up an advisory service on ethics for its members in commerce and industry during 1980. The service will be administered by a sub-committee to be established by the Ethics Committee and known as the Industrial Members Advisory Committee on Ethics (IMACE). Such a move will surely be welcomed by the large number of members not in practice.

As far back as 1964, a business session following the Institute's annual meeting, discussing 'Professional Ethics for Members in Commerce and Industry', strongly recommended that more official guidance on ethical matters should be given to accountants working outside public practice. It is perhaps surprising that such suggestions were not acted upon sooner. Although general ethical advice has always been available to the non-practicing accountant, the setting-up of the service underlines a recognition not only of the fact that members in industry are governed by the same professional standards of conduct as those in practice, but also that there may be particular ethical problems related to the spheres of commerce and industry.

Those seeking advice should address their enquiries to the director of the IMACE service, likely to be an existing

member of the secretariat appointed to the post in the new year. The inquirer will then be put in contact with an advisor nominated by his district society. It is hoped that each society will put forward at least three representatives with relevant experience to act as advisors for a minimum of three years. If an advisor considered it necessary to approach a member's employer, this would be done in writing, after prior approval by the chairman or vice-chairman of IMACE. The Institute hope that the service will be widely used, and no fees will be charged to members.

Double Fault

There is already a central register of persons disqualified from acting in the management of limited companies, under sections 28 and 29 of the Companies Act 1976, which came into effect on June 1st, 1977; and the item 'Government Blacklist' on page 760 of our November 29th issue is therefore otiose. We are indebted for this information to the office of the Registrar of Companies, Cardiff.

This, it seems, is the consequence of an astonishing error on both sides of the House of Commons Committee on the Companies Bill. The Under-Secretary for Trade, Mr Reginald Eyre, clearly overlooked the existing rules when he

undertook on behalf of the Government to examine the case for such a register – put forward by Mr S. Clinton Davis, who occupied the same position in the last Government, and was himself responsible for the legislation!

Irish Career Prospects

For decades past, Irish parents traditionally sought university degrees for their brilliant children, balancing some four early income-less years against the prospect of professional fees for years to come. The duller youngsters were hustled straight from school into a bank, with a reasonable salary, undemanding work, and pensions – non-contributory usually – providing two-thirds of salary on retirement.

The picture has changed recently; a Bank of Ireland office has reported over 12,000 applicants for 550 positions. The reason lay largely with the attractive salary scale: £3,250–£3,900 for recruits, rising to £7,500 after 19 years. For assistant managers and managers, the scale is from £6,414 to over £10,000 after 21 years. Loans are available, for house purchase for example, at 4 per cent interest, and at senior levels branch houses, or a further £1,550 annually, are available.

If the traditional dullards are now catered for to this extent, who needs to be brilliant?

Simplified Statements

In an addendum to their comments on ED24, the Institute of Directors briefly give vent to their views on simplified financial statements, making three widely different points. Corporate objectives, they say, are a useful management tool, but cannot be disclosed without either being watered down to meaningless platitudes and wishful thinking, or a serious loss of confidentiality.

Next, the formulation of a standard on five-year summaries, preferably adjusted for inflation and guidelines on statistical presentations is a priority. Lastly, in the long term the Institute sees value added statements playing a much larger role in company reporting – 'particularly simplified statements distributed to the less technically minded interest groups such as private investors and employees'.



A distinguished naturalist, Philip Drabble, was the guest speaker at this year's annual partnership assembly of Kidsons, held at Kenilworth. Pictured with Mr Drabble (third from left) are Messrs Norman Stavelly (an ICAEW Council member, and Past-President of the Humberside District Society), John W. Powell (chairman of Kidsons) and H. D. B. Laughlin (vice-chairman).

Current Affairs

An Ombudsman for the Republic

A Government Bill currently before the Parliament of the Irish Republic – the Dail – provides for the appointment of an Ombudsman to act as a buffer between the bureaucracy and the public. The holder would be appointed by the President on a resolution passed by the Dail and Senate, both being controlled by the Government then in power, at a salary which would be similar to that of a High Court judge.

The new official's duty will be to investigate any action taken by a Depart-

ment of State, should a preliminary examination indicate that the said action had adversely affected a member of the public. Certain matters relating to national security or military activities are excluded. Investigations will be developed in private, and the Ombudsman must send a written statement of the result to the Department of State concerned and to the original complainant.

The Ombudsman's report to the Department may recommend further review of the action, or measures to remedy the trouble to be taken, and his reports will be laid before the Dail and Senate annually.

Quote of the Week

'An Inland Revenue form, with its colour of all-over brown, is one of the most depressing artefacts that man has ever devised.' – Sir William Pile, outgoing Chairman of the Board of Inland Revenue.

Sir William has also initiated a review of his department's explanatory leaflets, so that they can be understood 'by someone with a reading age of 12 . . . because research has shown that, if you cannot get at that level, you are not going to hit a large proportion of the population'.

THIS IS MY LIFE

The Bubble Reputation

by An Industrious Accountant

When I was swotting for my final exam, we had grinds with an elderly accountant who talked of cash flow and profits on the Stock Exchange and of foolish investments. This latter he illustrated by analysing the South Sea Bubble of 1710 as launched by the Earl of Oxford. We heard of the National Debt of £30 million, the supposed vast wealth in South America, the perjury, and the exposing of the fraud in 1720.

The shares leaped up from £290 in April to £890 in June, explained our mentor, but the public was still buying at £1,000 when the directors sold out in August. The scrip was worthless, bankruptcy or flight were the options left to the ruined optimists, though some chose instead to step bravely from the topmost battlements. Bang went our dreams of a raid on Wall Street, and a wealthy departure over the wrecks of Rockefeller, Kennedy, J. P. Morgan, Roosevelt, Carnegie and Diamond Jim

Brady and Vanderbilt – a lesson to accountants with share-picking ambitions.

Yet if some lose, others must win, and one such gambler made a fortune and spent it well. Thomas Gray (1644–1724), son of a coal dealer, opened a bookshop near Lombard Street in 1668 where he sold Bibles imported from Holland (the local copies being badly executed) and later copies printed by himself. His main customer was Oxford University, where he was reputed to be a miser and also a moneylender.

However that was, in 1707 he leased a large piece of land for 999 years at a ground rent of £30 yearly, where Guy's Hospital was erected, Thomas paying most of the cost of £19,000, plus £219,000 to endow it. He paid £248,000 to build and endow the Southwark Hospital, besides bestowing £400 annually to Christ's Hospital. Among other numerous donations he established

alms-houses in Tamworth, where he was educated, for fourteen men and women, with pensions for each and a library for all.

He made about £500,000 by buying Bubble shares cheap and selling near the top, but contemporary reports describe him as an intensely selfish and avaricious man, of mean appearance, with a melancholy countenance.

In his will, he left £80,000 to be divided among such as could prove any degree of relationship with him, according to my old *Chambers' Encyclopaedia*; but something seems to be missing in its comment on his character. Just think what a Chancellor of the Exchequer he'd make!

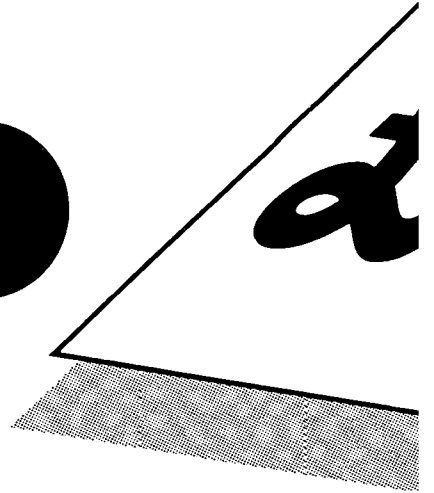


Among other numerous donations . . .

UP.

UP.

UP.



Retirement Issue Investment Limit

From 3 December 1979 up goes the investment limit on National Savings Certificates Retirement Issue from £700 to £1200.

These Certificates are designed to protect the savings of men over 65 and women over 60. Their value increases annually in line with the rise in the General Index of Retail Prices. Repayment can be made at any time and after 5 years a 4% bonus is paid. The increases and the bonus are free of both Income and Capital Gains Tax.
We recommend you recommend more investment.

National Savings Bank

On 1 January 1980 up goes the interest rate on the NSB Investment Account from 12½% to 15%. Interest paid *without* deduction of tax. Maximum investment £50,000.
We recommend you recommend more investment.

3 DEC 1979

1 JAN 1980

1200

15%

FEB 1980

10%
1/3
TAX FREE

New 19th Issue National Savings Certificates

In February 1980 the new 19th Issue National Savings Certificates will be launched. Up will go the return over 5 years from 8.45% to 10.33% p.a. The highest return ever given by a certificate.

Sold in £10 units up to a maximum of £1500.

We recommend you recommend more investment.



National Savings

Issued by the Department for National Savings.

Inflation – FAS 33 and All That

from EDWARD SYMONDS in the United States

Before the end of the year, the Financial Accounting Standards Board (FASB) will be receiving initial reactions from professional circles to the 'how-to-do-it' booklet, issued by the task force set up after the announcement of the FASB's compromise decision, on the adjustments required in financial reports, during the present period of runaway inflation. FAS 33 'Financial Reporting and Changing Prices', issued early in October, was followed up by an intensive examination of the proposed methodology, carried out under the chairmanship of Mr Thomas O. Thorsen, comptroller of General Electric, and including financial executives from General Motors, Exxon, US Steel, Transamerica, Manufacturers Hanover Trust and a dozen other leading corporations. In spite of the severe reservations felt by many American businessmen, the task force has not wavered in its intention to make the new disclosures as meaningful as possible to users and at least relatively painless to preparers.

Squeeze and cut

By coincidence, the FASB's long-awaited decision, which is likely to shape the financial community's response to inflation for many years to come – and not in North America alone – was announced at the end of the week during which Federal Reserve chairman Paul A. Volcker launched the most drastic anti-inflationary programme in American history. The crux of the attack was to force next year's inflation rate below 10 per cent by squeezing bank reserves and cutting in half the growth rate of the money supply.

But it has already been demonstrated that the accuracy of the money supply statistics leaves much to be desired. Quite apart from occasional (though

enormous) lapses in reporting to the Fed, such as that attributed in late October to Manufacturers Hanover Trust, there is the built-in twofold lag between the liability totals reported by member banks and the setting of the reserve totals that the banks are required to hold with the Fed. There are also the inaccuracies arising from the many new types of payment instrument that are taking over part of the role formerly left to currency in circulation and current accounts in the banks. (See 'Where Have all the Cash Customers Gone?' *The Accountant*, June 7th, 1979.)

Yet the criticism levelled at the accounting practices of the private sector are much more serious and of longer duration than those recently directed at the Fed. Chairman Harold M. Williams of the Securities and Exchange Commission (SEC) has spoken of the enormous and growing credibility gap between reported results and economic reality, and has warned business of the inevitably fatal error of 'serving up the weapons for its own destruction'.

The Department of Commerce estimates that, as a result of the monetary erosion of the 70s, corporate profits are now being overstated by some 40 per cent. The lower of the twin bars shown for each of the years 1969–79 in the accompanying chart adjusts corporate profits for the effects of inflationary gains on inventories and losses on unreported depreciation. Without the additional disclosure now required under FAS 33, the nature of these distortions – and the reasons for their likely further increase in the years ahead – could give rise to a great deal of ill-founded political and social protest.

While recognising the seriousness of the problem and the necessity of finding urgent remedies, the FASB is far from claiming that its latest standard

represents the last word on the subject. In partial explanation of the Board's decision to approve reports drawn up on all of three alternative lines – historical, constant-dollar and current-cost – Mr Donald J. Kirk, chairman of the Board, stressed that he did not foresee any further pronouncements on this subject for several years to come. During this expected pause in standard setting, companies will receive a breathing space for assembling the data required in the new supplementary statements, and the Board will have an opportunity to assess the respective advantages of the two new lines of reporting, and to decide what lessons it can learn from the new information.

In the meanwhile, the promulgation of FAS 33 represents the completion of one of the most controversial phases of the measurement aspects of the Board's overall study of the conceptual framework of accounting. For the time being, it applies only to some 1,200 companies – those with assets exceeding \$1 billion or whose inventories and property, plant and equipment exceed \$125 million. Eventually, however, equity will presumably demand that all publicly held US companies meet the new reporting requirements.

Weaknesses

The supplementary statements are to adopt constant-dollar accounting as outlined in the FASB's exposure draft of March this year. Notwithstanding the weaknesses that are being discovered in it, the consumer price index will be used as the basis on which historical data will be converted to today's values. Income from continuing operations and changes in purchasing power of net monetary items will be recalculated by this formula. Side by side with these revisions, income from continuing operations, together with changes and year-end amounts of inventories and property, plant and equipment, will be shown net of inflation through the use of a current cost formula designed to reflect cost changes specific to each of the reporting companies. In selecting their formula, companies will be free to use either published indexes or other evidence of price movements that they may select and explain.

Accountant Abroad

Despite its complexity, FAS 33 is to be applied in reports for the calendar year 1979. It will not apply, however, to types of assets that have traditionally presented the greatest difficulties — oil and gas, timber and real estate. Banking and insurance, because their inventories and property, plant and equipment are not normally a significant fraction of their assets, will in effect be required to report on a constant-dollar basis only. To illustrate this and other situations, Mr Thorsen's task force has agreed to work up examples of appropriate calculations for different industries. To minimise the reporting burden, five-year comparisons of the supplementary data will be required as the exercise proceeds — but not retroactively for years before 1979.

One of the many loose ends remaining to be tied together as this experiment goes forward concerns its relationship with the vigorous steps already taken in the direction of price-level adjustment by the SEC. The other major source of unaudited inflation-related data arises from the SEC's Accounting Series Release (ASR) 190, which is already in force but calls for replacement cost adjustments of inventories and property,

plant and equipment that are out of step with those now specified by the FASB. Neither preparers nor users of these new SEC data are convinced of their usefulness, although the issue of ASR 190 may well have played a vital part in prodding the FASB into taking its stand in this thorny area.

Mr Walter E. Hanson, chairman of Peat, Marwick, Mitchell & Co until the surprise election to that office in October of a 'partners' choice' successor, has expressed his conviction that the SEC will waive the requirements of ASR 190, except for those companies that have to take advantage of the escape clause allowing an additional year's delay in cases where special difficulties prevent the presentation of the new data in time for the 1979 reports. 'In the long run' he said, 'the FASB and the SEC will have to get their heads together to avoid imposing two sets of presentations.'

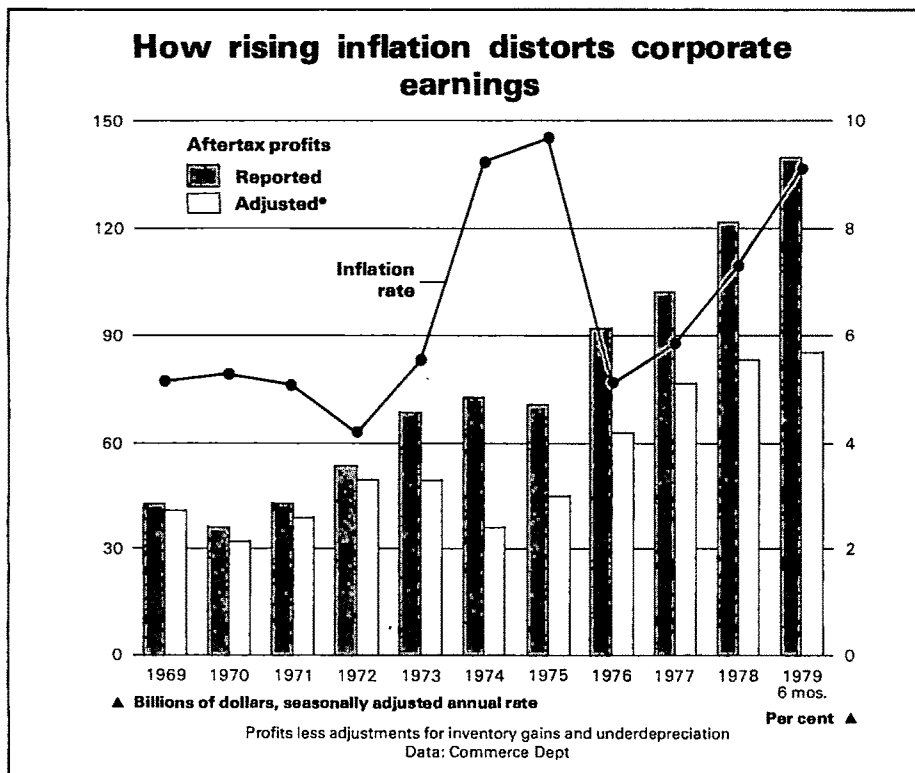
The American Institute, which has undertaken some major research projects on the implications of the various ways of adjusting reports for inflation, has helped to clarify the new situation by proposing a standard to guide auditors in their handling of supplementary infor-

mation. Offering advice on the type of examination required for this information and on the circumstances calling for its modification, the proposal represents the first time that the Institute has offered guidelines on information that does not have to be included on the face of the financial statements. With the heightened concern now felt over inflation and other matters not fitting neatly into traditional patterns of historical-cost accounting, it seems likely that the use of required supplementary reports will proliferate, and that the proposal will be widely followed by auditors.

Financial analysts sceptical

Largely because it promises an increase in the comptroller's department work load without reducing the burden of taxation, American industry has reacted unfavourably to the FASB's latest move. At best, companies are prepared to concede that a constant-dollar supplement to their statements could be prepared without too much trouble, and would help to alert users to the hollowness of the profit figures that are now being reported. Yet several of them have commented more favourably on the CCA approach adopted in the UK, and have concluded that this alternative might most usefully be approved in the US, if the stage is ever reached when the present duality can be abandoned. International Business Machines, for instance, has experimented over the years with the constant-dollar alternative, but has concluded that it yields unrealistic results. Financial analysts, although sceptical about both alternatives, appear to put more faith in the current-cost approach.

The accountancy firms, which have been hotly debating the inflation issue for decades, have generally welcomed the FASB's decision at last to make a stand. They are less concerned than the companies over the possible impact of the new disclosures on public perceptions of the strength of companies in which they may hold stock. The main issue, they feel, is to persuade users of reports to study the changing-prices information and derive some meaning from it, whether it be presented in constant dollars or current costs. Price Waterhouse & Co has argued that both methods can be revealing, and that they



Source: Business Week.

Accountant Abroad

should not be regarded as mutually exclusive.

At the American Institute's annual meeting in New Orleans in October, Mr Thomas A. Murphy, chairman of General Motors, lamented the readiness with which the public can be led to believe that the accounting profession is causing inflation, rather than merely trying to measure it. Since the present inflationary fever cannot be expected to die down overnight, the problems attacked in FAS 33 seem likely to continue to eat at the heart of the financial community for many years to come. The hope is that the FASB's new approach will be accepted as a step (albeit faltering) toward a lasting solution to the problems – not merely as another attempt to 'cook the books'.

The Lomé II Agreement

African, Caribbean and Pacific (ACP) countries have signed a trade and co-operation agreement with the EEC, Lomé II, made official at the end of October. Under the convention ACP countries are given free access to EEC markets for 99.5 per cent of their exports, already guaranteed by the original Lomé Convention, with the remaining 0.5 per cent (generally products coming under the CAP) receiving preferential treatment. Some new concessions have been made in agricultural products, which are exported in limited quantities, but are of particular importance to certain ACP members.

The basic tenets of Lomé policy are:

- security of co-operation, based on a *de jure* system from a contract freely negotiated between partners;
- the establishment between two regional groups of a single contract, excluding any manipulation or discrimination that may be caused by unilateral assessments of the partners' economic systems, policies or development;
- an approach defining and bringing together all the various means of co-operation;
- co-operation based on a permanent dialogue.

Under the agreement the Stabex system has had its trigger and dependence thresholds lowered. Stabex transfers to the ACP countries are made

in the form of grants or interest-free loans with repayments replenishing the system's resources.

Mineral production has been safeguarded under the convention through accident insurance. This scheme is backed by 280 million EUA (\$372 million) and covers the main minerals exported by the ACP – copper and cobalt, phosphates, manganese, bauxite and alumina, tin and iron ore. Additions can be made to the list through a joint decision by the ACP-EEC Council of Ministers.

Finance under Lomé II totals 3,466 million EUA (\$4,329 million), including adjustments. Funds available for expenditure on EEC-ACP co-operation agreements over the convention's time limit (five years) total 5,607 million EUA – an increase of 72 per cent over Lomé.

There are also three areas of co-operation which were not included under Lomé I. These are: labour, fishing and sea transport.

Fuel Measurements Standardised

Car manufacturers throughout the EEC will need to standardise the method of presenting fuel consumption information under a draft council directive. If all goes well the new rule should be adopted early in 1980.

The directive is the technical annex of a UN convention which all member states through the European Economic Commission in Geneva, have already agreed. The annex lays down a procedure for measuring fuel consumption and for making this information available to the buyer. Known as the Geneva method, the information gives fuel consumption under three conditions: urban cycle (congested traffic in a large town), at 90 km/hr and at 120 km/hr. With this information the buyer can compare different car models on performance.

At the moment the UK, West Germany and France all use this method. Italy had indicated that it would not have any problems introducing the requirements. Other member states do not actually manufacture cars although assembly lines are located there. The Commission also hopes to make the rule compulsory for importing car manufacturers.

EFTA Anniversary Prize Competition

The European Free Trade Association (EFTA), to mark its 20th anniversary, is organising a competition open to anyone interested in European economic questions. The first prize will be not less than 5,000 Swiss francs.

Those wishing to take part in the competition are invited to submit an original essay of about twenty typed pages, on a subject related to the role and achievements of EFTA during its twenty years of existence, or the future role of EFTA in European economic integration. Participants are free to choose other topics as well, provided that they are related to the main theme.

An international jury, composed of representatives from EFTA countries and the Secretary-General of EFTA, will study the manuscripts and nominate the winner(s).

The deadline for the competition is February 29th, 1980. Entries and enquiries should be sent to the EFTA Secretariat, 9–11, rue de Varembe, CH-1211 Geneva 20.

German Credit Insurance Special Provisions Go

Special provisions made for West Germany's credit insurance business will be abolished under a proposal before the Council. The amendment to the first directive of July 1973 on the co-ordination of access to the business of direct insurance, will cover credit and suretyship insurance.

Specifically it will abolish the special provisions in Germany which require compulsory specialisation in this class of insurance. It is an analogue of the Commission's proposals of 18 July on legal expenses insurance. West Germany had applied these arrangements for specialisation in credit insurance since the 1930s. It claimed that economic fluctuations and the difficulty of assessing political risks made this particular type of business hazardous.

In order to allay this concern, it was necessary to stiffen the requirements relating to the capital of companies transacting credit insurance. Such requirements concern, in particular, the solvency margin and the guarantee fund.



A Christmas Carol

*Christmas Eve and all was still
Except for an office light,
Where Ebenezer Scrooge, F.C.A.
Was working through the night.*

*It wasn't all the Christmas cards
That made him choke and cough,
But the section 353 notices
Saying 6 companies were struck off.*

*The Ghost of Christmas Past appeared
And laughed at his frustration
"You should have used CTS" he cried
"For Statutory Computerisation".*

*"I will not pay for Annual Returns
Such a service must be dear",
"What did you say?" the Ghost replied
"It's just six pounds a year!"*

*"But what's the use" Scrooge insisted
"My returns are always late"
Not with CTS reminders
They'll keep you up to date.*



C.T.S. Group of Companies CTS House, Masons Avenue, Middlesex HA3 5AH Tel: 01-863 0111 (for all U.K.)

KING'S INVESTIGATION BUREAU LIMITED

INVESTIGATIONS in Civil, Criminal and Commercial cases – Internal Thefts and Extensive Pilfering in Commercial Concerns – Cases of Conspiracy and Fraud – Questioned Insurance claims – Infringements of Patents and Trade Marks – Bona fides of individuals and business concerns – Cases of Corruption and Leakages of Commercial and Industrial Information. Surveillance and undercover assignments undertaken in the investigation of criminal cases and commercial irregularities. Financial Investigations and enquiries into matters arising from Bankruptcy and Company Liquidation proceedings.

SPECIALIST SECURITY SERVICES including Security Surveys covering Computer Operations and confidential data control procedures – Counter Industrial Espionage assignments – Personnel character screening – Security checks conducted at hotels, restaurants, licensed premises, departmental stores and all retail outlets – Consultative Security Services.

CHANCERY HOUSE, 53–64 CHANCERY LANE, LONDON WC2A 1QU
Telephone 01–405 0343

This Bureau does not undertake enquiries in connection with divorce or matrimonial matters; industrial disputes; hire-purchase status enquiries or re-possession; process serving or allied matters.

DID YOU KNOW THAT . . .

- * approximately 5% of the nation's workforce will be 'off sick' today?
- * 80% of those will be incapacitated for a period of less than 4 weeks?
- * 60% (estimated) of companies without sickness insurance expend more than 5% of total payroll providing wages to incapacitated employees?

If you influence payment of sickness benefits for your company

DID YOU KNOW THAT IT IS POSSIBLE TO . . .

- * Save 40% of your company's current sick pay expenditure (or 1–1½% of total payroll)?
- * Improve your company's overall cash flow?
- * Significantly assist employer/employee relationships?

HOW?

Our team of experts are available without obligation to demonstrate how your company can benefit by instituting an individually tailored sick pay scheme. Just fill in the coupon below and post to:

Safeway Life and Pensions (Consultants) Ltd
194 Green Lane, Ilford, Essex. Tel. 01–478 7813.

Name Dept.

Company Name and Address

.....

.....

Telephone No

Companies, Inflation and Taxation

by the Rt Hon GORDON RICHARDSON, MBE, TD
Governor of the Bank of England

It is mainly in the corporate sector where the wealth of the UK economy is generated; and in the capital markets where the financial counterpart is largely to be found. An essential element in this economic and financial process of wealth creation is the profitability of companies. It is widely recognised that, in inflationary conditions, the conventional measures of profits and profitability have become increasingly misleading.

Events in the course of this decade have all too forcibly reminded us of the damage which inflation can wreak in the economy. In response to the erosion by inflation of the real value of wealth, personal saving has increased in this country, as in some other industrialised countries; and in an environment made uncertain by inflation, there has been greater reluctance to undertake investment. These have been factors contributing to reduced demand and output, not only in this country, but worldwide. Persistent inflationary pressures, such as we have known in recent years, hit at the dynamic of business, and the uncertainty they create confounds the process of decision-making.

Removal of distortions

It is of great importance for business to adopt accounting procedures that remove the distortions which arise in accounts when conventional accounting practices are followed in inflationary conditions for which they were not designed; and that the system of taxation should take due account of such distortions. There is no contradiction between those two aims. To lay emphasis on the importance of appropriate adjustment of accounting standards in an inflationary environment does not imply any diminution in the emphasis to be placed on the importance of bringing inflation under control. It is the purpose of accounts to show accurately the realities of a company's situation. To conceal it leads to self-deception and may well exacerbate the inflationary process.

Significant effect on figures

It is clear in any case that it will take time to break the deep hold that inflation has taken in the United Kingdom and, in the meantime, even with an inflation which was well below the present rate, the distorting effects on profits figures would still be significant, and important to correct. Even if inflation fell to zero immediately some of these effects would still be with us for many years: the valuation of plant or buildings put in place even two years ago would, on conventional practices, fall well short of present values and remain so for the lifetime of the

equipment in question. It would be realistic, too, to recognise the unavoidable fluctuations in the price of international commodities. These inevitably have repercussions on our domestic price level in general and, of course, much bigger repercussions on the costs, and stock values, of firms who process the commodities. For these reasons, the need to remove distortions from profit figures will continue.

Impact of inflation on company profits

During the last decade the real profitability of companies has fallen in most industrial countries. But in this country, where inflation rates were among the more pronounced, the fall has been particularly sharp, to real rates of return which are abnormally low.

For the industrial and commercial sector taken as a whole, calculations made in the Bank suggest that, as compared with some 10 to 12 per cent in the 1960s, the real rate of return on trading assets before taxation has been as low as 4 to 5 per cent in the last few years. These calculations relate to the average behaviour of a wide spectrum of individual companies and firms.

Profit margins restricted

Some fall was to be expected in conditions where demand was weak. Competition in markets growing so much more slowly than before was bound to have its restrictive effect on profit margins. Even so, it seems likely that the mentality of historic cost accounting has played a significant role in the sharp decline in real profitability. Perception of this real decline has been obscured by the comparative stability of historic cost profitability, related in particular to the inclusion of stock appreciation in profits even where replacement of such stocks is necessary for maintenance of the business; and to the persistence with depreciation provisions for fixed assets based on original purchase price rather than replacement cost.

The present exposure draft ED24, issued by the Accounting Standards Committee, suggests procedures which, I believe, come close to general acceptance. In the Bank's view the

proposals in the present draft should be adopted for the presentation of company accounts with only minor modifications. The draft is principally concerned with the calculation of profits to the equity interest in the company, and suggests the adoption of

- (a) measures of depreciation of fixed assets at current replacement cost;
- (b) a cost of sales adjustment, namely the exclusion of stock appreciation from the measure of profits; and
- (c) a monetary working capital adjustment applicable to the balance of trade credit and a 'gearing' adjustment intended to take account of the reduction in the (net) real burden of borrowed funds resulting from inflation.

Area of controversy

The first two adjustments may appear straightforward. In practice, however, the establishment of what is the replacement cost of stocks or fixed capital assets has been an area of some controversy as between the advocates of the current purchasing power (CPP) approach and the current cost accounting (CCA) approach. In the event, the present proposals for accounting practice follow the CCA approach.

The third set of adjustments relates to the reduction in the real burden of debt incurred by a company which occurs with a rise in the general level of prices. In an inflationary period, the real value of capital borrowed in nominal terms must fall, resulting in an increase in the net worth of the equity interest. This gain is not reflected, however, in the conventional measure of profits. Where interest is paid on the debt, and interest rates rise with inflation, profits reported as at present will be adversely affected by the need to make bigger interest payments. However, the higher nominal interest payments reflecting faster inflation are the counterpart to the fall in the real value of the debt, and effectively represent, for both debtor and creditor, an early repayment of real capital.

Mis-statement of profits

Lack of adequate adjustment can lead to many pitfalls. A firm may be seriously misled in its investment decisions. Dividend policy may be effectively lead to the distribution of capital because of misjudgement of the earnings available. Even where there is no danger of confusing capital with income, a company may well feel obliged to distribute over-generously in order to meet the expectations of shareholders generated by the dividend policies of other companies based upon historic cost accounting procedures. Decisions as to costs and pricing can likewise be prejudiced by misleading information.

The persistent presentation of profits unadjusted for inflation may also be misleading in pay negotiations if either party takes historic cost profits as an indication of what a company can afford to pay. The majority of statements made at company meetings and reported in the press are still predominantly couched in historic cost terms.

Finally, there is also the danger that the capital market may be misled by inadequately adjusted figures, though the sophistication of company analysts has probably now gone some way towards mitigating this source of inefficiency.

In short, inflation has distorted the information on which decisions by management, pay negotiators and investors are based. At national level, the decline in real profitability in recent years has been accompanied by a marked shift in national income away from profits. That in turn may well have

led to a misallocation of national resources in favour of consumption to the detriment of investment. Increasing recognition of the need for inflation-adjusted accounts, and increasing agreement as to how these adjustments might best be made, are major steps towards the removal of these distortions.

Company Taxation

No treatment of taxation would be complete without reference to the massive study of an expenditure tax. What ought to be taxed, it is argued, is not income as such, but income only so far as it is spent; in other words, saving should go free of tax. There would be need neither for the present form of income tax nor for individual indirect taxes: both would be absorbed into one single expenditure tax. Such large changes could not be produced overnight but only in successive stages. We are confined here to the taxation of business profits.

It could be argued that companies should be taxed more, so that persons might be taxed less. But it could also be argued, perhaps equally cogently, that companies should be taxed less. In practice, the possibilities of movement in either direction are likely to be constrained.

One factor limiting movement is the need not to add to the total of government borrowing. The limitation on the other side arises from the present situation of industry. Profits are low, as the figures I quoted earlier show, and it is questionable how soon the financial situation of business will strengthen. In these circumstances, it would be undesirable to increase the difficulties of business, and in particular manufacturing, by asking it to bear a higher tax burden.

For these reasons, possible adjustments to the tax system, to take account of inflation, should start from the premise that it is not a necessary part of such adjustment to change the yield of corporation tax. In other words, such adjustment can be thought of in itself as neutral in revenue terms, though it could have significant implications for the incidence of taxation as among companies.

The rapid growth of leasing has resulted, in particular, from a combination of 100 per cent first-year allowances for plant and machinery on the one hand and, on the other, the general fall in rates of return; more companies therefore now find themselves with an insufficient tax liability to reap the full benefit of free depreciation on owned assets. Since initial allowances are available to lessors, financial companies have, directly or indirectly, purchased plant and equipment and have become lessors on a very substantial scale, passing on a significant part of the tax benefit of free depreciation to lessees.

Major contribution

Although the development of this industry will need to be kept under close review, it has made a major contribution in support of fixed investment through a difficult phase for British industry. It has also enabled financial institutions, in particular the banks, to reduce their tax liability by acting, directly or indirectly, as lessors and effectively selling their taxable capacity to their lessee clients. It is understandable that, given the transferability of taxable capacity, the banks should have ordered their affairs in this way, significantly widening the range of financial services that they and their subsidiaries have been able to provide to industry.

The Chancellor of the Exchequer in his Budget speech last June stressed that it is important that the tax system should take account of the effects of inflation on businesses. Under the

guidance of Lord Cockfield, the Inland Revenue has this under close consideration. One reason for the growing interest in the fiscal aspects is, perhaps, the belief that, because profits are overstated in conventional accounts, they must be over-taxed under the present system. In aggregate this is doubtful. The fact that the tax system does not take inflation into account has not in practice resulted in a general over-taxation of companies; but a number of adjustments are none the less needed, and it is important that they be made.

Historic cost conventions

The present system of taxation has its roots in historic cost conventions. Depreciation is chargeable for tax purposes on the basis of historic cost; stocks also are valued at historic cost. Interest payments are fully deductible in arriving at taxable profits, but there are no adjustments for changes in the real value of debt.

In recent years, however, two changes have gone a long way towards removing distortions created by inflation. First, accelerated capital allowances, originally intended as an investment incentive, especially for plant and machinery, have been in different degrees extended to other assets, and have been increased. Second, since 1974 tax relief has been given in respect of stock changes. Without these measures the overall tax burden on the real profits of companies in 1978, which was somewhat above 50 per cent, would have virtually doubled, thus absorbing almost the entire real profits.

These somewhat rough-and-ready adjustments are the starting point from which further changes need to be contemplated. There are three areas of this present company tax system open to change, namely:

- (a) modification of the tax relief arrangements associated with changes in stocks;
- (b) the imputation to taxable profits of changes in the *real* value of monetary assets or liabilities; and
- (c) modification of depreciation allowances.

An important question is whether changes could be introduced by stages, or only as a single reform embracing all aspects of company taxation. Some of the changes which might be contemplated raise fairly complex questions both of principle and of practicability.

Treatment of stocks

The present form of stock relief was adopted in 1974 in the face of the liquidity crisis then confronting the corporate sector. It exempted from taxable increases in the value of stocks held: that is, it excluded from taxable income not only stock appreciation – which is what ED24 would suggest – but also increases in the volume of stocks. This form of relief was accepted at the time as an effective way of doing what was then needed and, in general, has served its purpose very well. But with the passage of time, the deficiencies of the scheme have become increasingly apparent. In particular, the relief works inequitably as between companies; it gives an incentive to companies to build up stocks artificially; and clawback works as a discouragement to running them down.

To give such relief, the simplest course was to take the total change in value: it was only necessary to subtract the value of stocks held at the beginning of the accounting year from those held at the year-end.

To separate the volume and price components, an index of

price is needed. And the question is which index – or which indices? One solution would be that a single agreed general price index should be accepted for the purpose. This would be administratively simple, but it could introduce major distortions. Commodity prices, in particular, clearly do not all move in the same way.

If draconian simplicity is not sought, how much complication can be tolerated by the Inland Revenue, and by accountants in their audit capacity? The range of price index numbers recently published by the Central Statistical Office might offer a solution. The experience of some countries, notably the United States, suggests that some degree of complication is feasible. The tax authorities there allow LIFO as an option – an arrangement which can in some, but not all, cases provide a close approximation to the valuation of stocks at replacement cost. But valuation, nor surprisingly, raises difficulties for firms employing the less sophisticated forms of stock control. This is clearly a practical problem, for which a practical solution should be possible.

Substantial fluctuations

The adoption of a cost of sales adjustment on these lines might entail little change in tax revenue over time, though the yield could fluctuate substantially from year to year reflecting the interaction between stock price and stock volume changes. The distributional implications of a cost of sales adjustment could, however, be substantially different from those of the present form of relief, with probably some tendency for manufacturing industry to gain.

Substitution of a cost of sales adjustment in place of the present stock relief could be done on its own, but, perhaps more appropriately, it could be adopted along with adjustments designed to take account of real gains or losses on monetary items in the balance sheet.

Monetary assets and liabilities

Conventional measures of profit and loss fail to take into account the change in the real value of corporate monetary assets and liabilities as a result of inflation. A company that is a net debtor gains from inflation as its debt diminishes in real terms and, indeed, to the extent that interest includes an element of real debt repayment a company even enjoys tax relief for the latter. The argument is thus that its taxable capacity should be increased by this real gain.

This principle does, however, give rise to a number of difficult questions. If the adjustment for monetary items were limited to a specific category such as the net trade debt or credit position, companies might be induced to switch to other forms of debt, such as overdraft or trade factoring, with the object of avoiding any addition to their taxable profits on account of financial items. This suggests the need for adjustments that cover all financial items, as in the ED24 proposals, for both a monetary working capital adjustment, relating to net trade debtors or creditors, and a gearing adjustment, which takes account of other elements in a company's debt.

While there might be convenience for tax and other purposes in combining the monetary and gearing adjustments, acknowledgement of a separate monetary working capital adjustment has special relevance for the tax treatment of financial companies, in particular the banks. In a position which is the reverse of that of most other companies, the banks hold net monetary assets, broadly the counterpart of free

capital. This free capital, or capital base, needs to be maintained in real terms, but under present arrangements, corporation tax is payable on the surpluses which are required in a period of inflation to top up the capital base in nominal terms. In consequence, the banks have unavoidably had to apply part of their post-tax profit to the maintenance of their existing volume of business, rather than to increasing it.

It is plainly relevant to consider what might be the possible overall and distributional effects of the introduction into the tax system of adjustments for stock appreciation and monetary items. The study being undertaken by the Inland Revenue, with which the Bank is associated, is beginning to suggest that a cost of sales adjustment alone could be somewhat more generous to the corporate sector than the present stock relief, in particular because the net benefit from stock relief is limited by the 15 per cent profit rule. If, however, the cost of sales adjustments were complemented by monetary working capital and gearing adjustments on the lines that I have discussed, there might be a modest fall in tax relief to the corporate sector. On the basis of recent experience, tax relief associated with stock holding would be most reduced for wholesalers and retailers, who have enjoyed relative benefit under the present stock relief scheme. In contrast, there might be little or no change in respect of manufacturing industry, whereas erosion of the capital position of financial companies, on this account, would be avoided.

Capital depreciation

For investment in plant and machinery, the availability of 100 per cent first year allowances comes fairly close, in broad effect, to meeting the call for replacement cost depreciation. For other forms of investment, the present system of allowances is less favourable. Industrial buildings are eligible for 50 per cent first year allowances and agricultural buildings and hotels for 20 per cent, the balance in each case being allowed in annual allowances based on historic cost. For commercial buildings no tax allowances are available.

One possibility, which has undoubted conceptual attraction, would be to abolish the system of initial allowances, and substitute for it annual allowances reflecting not the historic cost of the equipment, but the current replacement cost – as in ED24. This would raise practical problems, for example as regards the price indices to be used in calculating replacement costs – problems similar in principle to those arising in the case of stock valuation.

No significant effect

Although this approach is unlikely, at the end of the day, to have a significant effect on the degree of tax relief currently available, in the early years of transition relief would be sharply reduced, creating cash problems for companies, especially manufacturing companies. Unless some way could be found round this difficulty, this approach would, I think, have to be ruled out as not being practicable, especially in the present circumstances of industry.

A second possibility would be to generalise the availability of 100 per cent initial allowances. In contrast, this would involve a substantial loss of revenue in the early years of the transition or, looked at from the other side, a heavy injection of cash, with the larger part probably benefiting non-manufacturing. It seems questionable whether this solution could be contemplated.

A third possibility could be to retain the present first year

depreciation allowances but, for assets not eligible for 100 per cent first-year allowances, to adjust the residual element of depreciation after the first year so that it reflected the current replacement cost. Apart from enabling firms to provide for the replacement of assets adequately, this approach would preserve the present element of tax incentive for investment in fixed assets. Subject to one exception this third possibility would be much more modest in scale and would entail a relatively small increase in tax relief associated with depreciation charges, and thus a small loss of tax revenue. Most industrial firms would benefit; but firms with a high proportion of plant and machinery among their assets would benefit least. The important exception is, however, the treatment of motor-cars. To include them would involve very considerable cost and it seems hard to think that they would not require special rules.

Appropriate change

There remains the question of commercial buildings for which no capital allowances are at present available. Taken in isolation, a change here (if thought desirable) could be expensive in terms of revenue. It would, however, seem appropriate that if such a change were to be contemplated it would have to be considered along with possible changes in the tax treatment of real gains or losses arising from monetary items, so that the high cost to the Exchequer would be mitigated.

It is clearly desirable that inflation-adjusted accounts should replace historic cost accounts in all discussion of company profits. The test will be when the press ceases to report the latter, or at least relegates them to the small print, and gives the headlines to the inflation-adjusted figures. Now that we seem so near to agreement about the basis for inflation accounting, after the long and necessary debate of these complex issues, we shall, hopefully, move swiftly from the age of debate to the age of implementation.

Conclusions

The hope that agreement is near on inflation accounting makes it a logical next step to examine the implications for the tax system. But there is a reverse connection. The adoption for tax purposes of principles similar to those advocated for accounting might greatly concentrate attention on how best to apply these principles and hasten the day when they were universal for accounting purposes.

The present tax system was not designed for inflationary circumstances and, though it has to some extent been modified in this respect, it has become, in detail, unfair and inefficient. The adjustments that may be called for ought not to be expensive in terms of tax revenue. To ensure that this will be the case is a limiting constraint on what can be done. The expectation that it need not be expensive in revenue terms gives hope that a set of proposals can be worked out which will prove to be acceptable on broad economic and political grounds.

The elaboration of a full set of proposals will no doubt take time, but a partial reform may be possible more quickly. The most obvious candidate for early change is perhaps the present tax treatment of relief in respect of changes in stocks. If an early change could be made here, it would be desirable for this to be accompanied by the adoption of monetary adjustments as advocated for reporting purposes by the accountants.

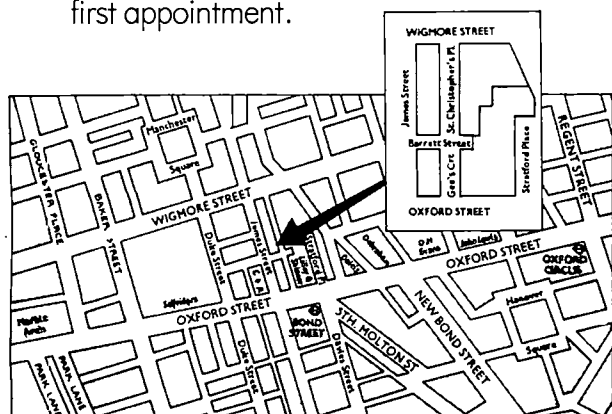
This would also open up the possibility of providing tax relief on working capital employed by financial companies and, in particular, banks, for which in my view a good case has been made.

Presley

THE GENTLEMAN'S BARBER

The girls from Samson & Delilah, are pleased to announce the opening of a new salon on the 26th November, at 3/5 Barrett Street, London W1.

Telephone 01 935 0973 for your first appointment.



Understanding Accounts

Unlike the majority of introductory books on accounts, this useful study book by F. A. J. Couldery, FCA, FCCA, FCIS, starts with balance sheets, proceeds to profit and loss accounts, and then examines the areas of practical importance – fundamental accounting concepts, cash flow and funds flow statements, depreciation, accounting ratios, valuation methods.

There are numerous diagrams and illustrations, and a second colour is carried through the book to good effect, highlighting the important features. The visual impact is quite unlike any other book in its field: each topic is illustrated as it is discussed. To the newcomer to accountancy, that must be a powerful aid to memory. The book contains many questions and fully worked answers.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.**

Please send copy/copies of
UNDERSTANDING ACCOUNTS
at £3.50 plus 30p postage (airmail £1.25)

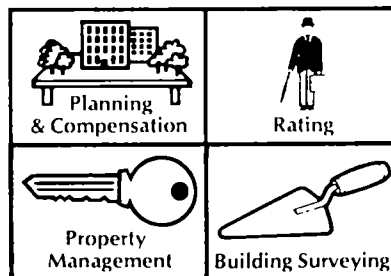
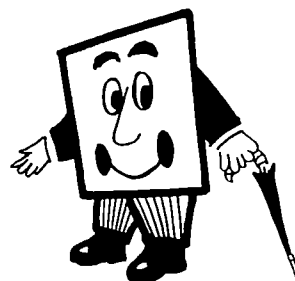
Remittance enclosed £

Name

Address

A

Mr Square Footage and some of his Professional Services



It's all part of the Knight Frank & Rutley service



Knight Frank & Rutley

20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

Converting Capital into Policies

by OUR INSURANCE CORRESPONDENT

Plenty of concern has been expressed about the possibility of the abolition of the 17½ per cent tax credit applicable to premiums paid towards a regular premium 'qualifying' life assurance policy. Although the tax credit may not necessarily be abolished altogether, there is every reason to expect that the figure will be cut. That would be logical, bearing in mind that, in the past, the tax relief was calculated at half the standard rate of income tax.

It can be argued that too much emphasis is placed on that tax credit. Qualifying life assurance policies have plenty of advantages, apart from offering a discount of 17½ per cent off the premium in many cases!

For a higher-rate taxpayer, a qualifying life assurance policy has many advantages, even if the tax credit is not obtainable. In fact, there must be many higher-rate taxpayers who are contributing more to regular premium life assurance than the maximum for which the tax credit is allowed. They consider that worth while, and thus life policies are likely to continue to have advantages even if there should be a severe reduction in the rate of tax credit.

Significantly lower

First, in a life office's life fund, investment income accumulates net of tax at a maximum rate of 37½ per cent – which, of course, is significantly lower than the marginal rate of tax paid by higher-rate taxpayers. The second main advantage is that the maturity value of a qualifying life policy is free of tax in the hands of the policyholder. There is neither higher-rate income tax, nor capital gains tax, to be paid.

Admittedly, a life office is not free from capital gains tax. What has to be remembered, however, is that a life office, unlike an individual, will not be realising assets to meet the maturity

value of a policy. Realised gains are likely to apply only in respect of switching of assets. A life office, of course, will make some deduction for its contingent liability to tax on capital gains, but, since the liability is likely to be deferred well into the future, that deduction is likely to be significantly lower than the current rate of tax on capital gains.

Price to be paid

The 'price' paid for the tax advantages of a qualifying policy is that premiums must be paid regularly, and a policy must be arranged initially for not less than a ten-year term. In theory, that can be achieved quite simply, by realising enough capital each year to fund the premium, bearing in mind that some capital gains tax may be payable, dependent on an individual's circumstances.

Sometimes, however, individuals dislike taking that risk, feeling that they do not wish to be in a position where regular premiums have to be met each year, even though the value of their investments may have dropped quite sharply. Of course, the risk need not be taken; for instance, when it looks as though prices are at a relatively high level, enough investments could be realised to meet premiums for a few years. Some investors prefer to take that a stage further, and to have available at the outset all the capital which, ultimately, will be transferred into the qualifying life policy.

There are various ways in which that capital can be employed prior to the transfer. For instance, low coupon dated gilt-edged securities can be bought. In this way, there is guaranteed tax-free capital appreciation until redemption, and thus a certainty that funds will be available to meet the premiums.

One drawback, however, is that there

are comparatively few securities suitable for this purpose, with the result that redemption dates will not occur as and when would be most convenient from the premium-paying point of view. In some cases, an individual policyholder is likely to have to fund premiums before receiving the redemption value. In other cases, the redemption value may have to be held until the next premium falls due.

A variation of that method is to use part of the capital available to pay the first annual premium towards a policy, and to use the balance to purchase a term annuity – to provide the succeeding nine annual premiums. In this case, it is possible to select the best annuity terms in the market, even though the same office is not used for the qualifying policy.

A number of life offices offer 'package deals', consisting of a temporary annuity, together with a qualifying life policy. As an example, the Scottish Provident Institution introduced a policy known as Hallmark, which can be bought on a 'single premium' basis, where a temporary annuity provides the funds each year for the qualifying life policy. This 'package' is so geared that, for a basic rate taxpayer, over the initial ten-year period, the net income from the annuity is more than enough to pay the premiums towards the qualifying policy. The balance, therefore, either can be used to supplement income or, of course, could be used to fund another policy. Normally, higher-rate taxpayers should find that, even after paying higher rate tax on the interest element of the annuity, enough will be left to meet the premium for the qualifying life policy in full.

Cash alternatives

One feature of this scheme which may appeal to investors is that no evidence of health is required. Often, those using life assurance primarily for investment purposes become annoyed at having to answer medical questions in detail and, sometimes, having to undergo a medical examination. This may be enough to deter an elderly person from investing in such a way.

At the end of the ten-year premium-paying period, the Scottish Provident Institution offers a series of alternative cash values on each policy anniversary

Revenue Report

for a 20-year period, ie up to the 30th year from inception. These cash maturity options are guaranteed, with bonuses being payable in addition. Since the policy is written in unit form, this tax-free 'income' can be taken more or less when an individual wishes, during that 20-year period.

Sometimes, those who are converting capital into a qualifying life policy do not necessarily want the 'safe and secure' investment provided by a profit-sharing policy. They would prefer their life policy to be somewhat similar to the investments which they were holding. In this case, clearly, a unit-linked policy is indicated. This can be funded in the same way.

On the other hand, an individual may feel that he would like the initial capital sum, before transfer, to be in a unit-linked fund. This is easily achieved, by arranging a single premium life policy. There is, however, the problem that the value of units may be relatively low, at a time when a fixed annual premium has to be paid. It is possible, however, to take a leaf out of the book of life offices, by matching assets and liabilities to some extent.

Albany Life Assurance Ltd introduced the idea, and it is likely to be copied by other life offices. The idea is that the bulk of the initial capital sum is invested in single premium unit-linked endowment policies which mature in successive years – to provide the annual premiums for the qualifying policy. Those premiums, however, are not a fixed cash sum. They can vary between 0.7 of and 1.4 times the initial annual premium.

Depressed value

The unit-linking of the single premium policies is always identical to the unit-linking of the qualifying policy. Thus, if the units allocated to the single premium policy should be standing at a relatively low level, when an annual premium is due, normally the premium can be paid without a further call on the policyholder to provide further funds, since it should be possible to pay a premium equivalent to the value of the single premium policy, depressed as that may be.

There is the further advantage that, should the units have performed well, a higher premium can be paid, thus avoid-

ing the situation where it might not be possible to transfer some of the assets built up in the single premium policy. Of course, there is not complete flexibility, since the limits mentioned above apply if the policy is to remain 'qualifying'.

Those who choose this arrangement can select the funds to which policies shall be linked. More than one fund at a time can be used for this purpose, and switching from one fund to another is possible, subject to the normal administrative charge. The important point, however, is that any change in the linking of funds applies to all the policies in force – both single premium policies and the qualifying policy. The scheme is based on the assumption that units will grow at $7\frac{1}{2}$ per cent per annum, which is a fairly common assumption, although it does not necessarily follow that performance will match that figure every year.

Marginal rate

In setting up the scheme, allowance can be made for the higher-rate tax which will be payable on each single premium policy at maturity. Clearly, however, there is no means of telling accurately what the tax position will be; it is up to the policyholder to indicate what marginal rate of tax should be used in the calculations. That type of scheme has the great advantage that, if the maturing single premium policy happens to be high or low in value, within the limits, the cash equivalent can be accepted into the qualifying policy, and exactly the same units will be bought. Apart from the tax charge which may be incurred, naturally there is the spread between bid and offer prices of the units.

Transferring capital into a qualifying policy has much to offer, despite the lower 'marginal' rates of income tax suffered by higher-rate taxpayers. It is likely that the idea will gain in popularity. It is important, however, for individuals to choose the type of policy which most suits their inclinations.

For those who have been investing in stocks and shares, a unit-linked policy obviously has attractions, and the advantage of investing in property, as well. On the other hand, for those who have chosen the 'safety first' course of investing in gilt-edged securities, a profit-sharing contract is likely to be more appropriate.

Taxation of Married Women

Married couples, like other taxpayers, are entitled to only one basic rate band, unless a wife's earnings election has been made. Consequently a reduction has to be made in the PAYE code number, where husband and wife are both employed and their joint earnings are sufficient to attract liability to higher rate tax, to ensure that the right amount of tax is deducted during the year.

This reduction, known as the excessive basic rate adjustment, has normally been made in the wife's coding. In future it will be made in the husband's coding, unless the wife's earnings are expected to be greater than her husband's or the couple notify the tax office that they would prefer the reduction to be made in the wife's coding. The Revenue will take this change into account in the 1980–81 code numbers now being prepared.

The Revenue are also changing their practice on correspondence with married women about tax affairs, and henceforth will normally write direct to a married woman about her own tax affairs, whether or not she has first written to the Revenue.

DOUBLE TAXATION – USA

Estate and Gift Taxes

The double taxation convention between the United Kingdom and the United States of America, covering taxes on the estates of deceased persons and on gifts, which was approved by Parliament on February 23rd, 1979, has been published as a Schedule to an Order in Council (SI 1979 No 1454). Copies are available from HM Stationery Office.

Instruments of ratification were exchanged in Washington on October 11th and the convention entered into force on November 11th, 1979. The convention has effect in both countries immediately after that date.

The present convention is not related to the proposed new convention between the two countries for the avoidance of double taxation on income and capital gains, the Third Protocol to which has still to be considered in the UK by the House of Commons.

'Separate Issue' of Unitary Taxation

Adoption of the unitary basis of taxation by certain American states, and ratification of the proposed UK/US double tax treaty, are in reality separate issues, Treasury Minister Mr Peter Rees, QC, has informed the Consultative Committee of Accountancy Bodies.

While both the UK Government and the Federal Government of the United States remain totally opposed to the use of the unitary basis, the issue of individual states' rights within the USA is a complex constitutional matter which cannot be resolved within the context of a double tax treaty. The UK Treasury has no reason to think that delay in ratification of the treaty can have any positive effect on the course of legislative measures in the United States, and has drawn attention to advantages to be gained from the treaty in other directions – in particular, the reduced rate of withholding tax on dividends paid to UK parent companies; relief from US excise tax for UK insurers; and the extension of UK taxing rights over North Sea profits.

The full text of Mr Rees' letter, dated October 31st, was released last week, and the passages relating to the unitary tax issue are reproduced below. The CCAB letter to the Minister was published in 'Revenue Report' in *The Accountant* of July 12th, 1979 (page 44).

The use of the unitary basis of taxation by American States and the alterations demanded by the US Senate to the original Article 9 (4) constitute a peculiar and difficult problem which has come to overshadow the rest of the treaty. The problem is in my view a very important one and we have examined it very carefully since we took office.

Last month I visited Washington and California, where I had a number of discussions with members of the Administration and the legislature and other people concerned with this issue. In California I saw Governor Brown and members of his administration and I also

talked to officials concerned with the implementation of unitary basis of taxation in that State and representatives of companies affected by it. I was thus able to form at first hand an impression of the dimensions of the problem, its relation to the double taxation treaty, and the prospects of mitigating or removing the harmful effects of the unitary basis.

I made it quite clear that Her Majesty's Government are totally opposed to the use of the unitary basis. It is clear that this view is shared by the Federal Government of the United States. The problem, as you know, is that the Federal Government has not been permitted by the US Senate to use double taxation agreements to stop the application of the unitary basis by individual States to foreign enterprises. The issue in the US is a complicated constitutional one concerning the rights of the States within the Union. I think it is fair to say that the Senate vote on the double taxation treaty was not a vote in favour of the unitary basis *per se*, and indeed the Senate consented to the prohibition which remains in the treaty against unitary taxation by the Federal Government.

It is quite certain that at the present time the Federal Government does not have the ability to solve the problem in a double taxation agreement. So far as the US is concerned, a solution to the difficulties associated with unitary taxation must therefore be found within that country.

There is, I think, a growing awareness of the difficulties which the unitary system can entail when it is applied in an international context, and there are several legislative proposals at State and Federal level which are designed to deal with these difficulties. There are also developments in the Courts which might be helpful. We are of course watching these developments closely and will support and encourage them so far as it is proper and productive for us as a

national Government to do so, while avoiding the danger of a charge of interference in the internal affairs of another sovereign country. Representations by British industry in the US have, I believe, a vital role to play in increasing awareness of the problem and gathering support for a solution.

It is however too early to say how successful the various moves against the unitary basis in the US will be. It is obviously important that Her Majesty's Government should not take any action which will detract from the momentum which any of these moves may have gathered. This is something which we shall bear in mind in deciding when the House of Commons should be asked to approve the treaty. But the treaty and the use of the unitary basis are nevertheless separate issues and it is in my view doubtful whether delay in ratification of the treaty will have a positive effect on legislative measures in the US. The possibility of such an effect has to be carefully weighed against the benefits to the UK which the treaty would provide and the difficulties and uncertainties which further delay could cause for taxpayers.

I can assure you that, if and when the treaty is ratified, the Government will continue to pursue the issue of the unitary basis. The US is well aware that relations between our two countries in the field of direct taxation can only be harmed if the use of the unitary basis continues, and the question will be no less vigorously pursued against the background of a new treaty than it would be in the absence of such a treaty.

Irish Drive on Dodgers

The Revenue Commissioners in the Irish Republic claimed recently that over 3,500 tax evaders had been caught by their special investigation teams in recent months. Further, the latest published edition of the Republic's Finance Bill 1979 has introduced a new section increasing the time limits for summary proceedings for false returns, aiding and abetting and kindred offences, from three to ten years.

The Revenue Commissioners will also be empowered in certain instances to demand information and documents from taxpayers' customers and suppliers.

CLASSIFIED ADVERTISEMENTS

RATES AND INFORMATION

A minimum charge is made for each advertisement which covers up to five lines (approximately twenty-five words). Additional lines (approximately five words) are charged *pro rata*.

Semi-DISPLAYED advertisements are charged per single column cm to the nearest 5 mm (1 in. = 2.5 cm approximately).

CONCESSIONAL RATES per insertion are also quoted. These are given for advertisements to appear in three or more consecutive issues. They cannot be applied retrospectively or for advertisements which are to appear at fortnightly or longer intervals. The concessional rates are based on THREE INSERTIONS FOR THE PRICE OF TWO at the normal rates.

CLOSING TIME

10.30 a.m. on Monday of the week of publication.

If proofs are required for fully-displayed advertisements copy must reach us by 10.30 a.m. on Thursday of the week preceding publication.

Complete artwork will be accepted up to 4.30 p.m. on Monday of the week of publication.

Alterations or cancellations will be accepted up to 10.30 a.m. on Monday of the week of publication.

These times are subject to alteration when bank holidays or any other reason make it necessary to go to press earlier. Notice of any such alteration will be published in advance.

LINAGE

ALL HEADINGS except

Situations Wanted

Minimum covering 5 lines

per line (5 words) in addition

Basic

Concessional

£6.00

£4.00

£1.20

80p

SITUATIONS WANTED

(including Training Contracts Required)

Minimum covering 5 lines

per line (5 words) in addition

£4.50

£3.00

90p

60p

SEMI-DISPLAYED

All headings:

per single-column cm

(minimum 2 cm single-column)

£6.00

£4.00

FULLY-DISPLAYED

All headings:

per single-column cm

(minimum 5 cm single column)

£6.75

£4.50

Box numbers if required – Add the charge for one line at the relevant rate for each insertion. Box numbers are not transferable and cannot be repeated at a later date.

PAYMENT

Except where special arrangements exist ALL ADVERTISEMENTS which are charged according to the number of lines they occupy MUST BE PREPAID.

All advertisements intended for this supplement and REPLIES to BOX NUMBERS should be sent to the Classified Advertisement Department, Gee & Co (Publishers) Ltd, 151 Strand, London WC2R 1JJ. Telephone 01-836 0832.



Accountancy Personnel

PARTNER'S ASSISTANT

POTENTIAL PARTNER - W1 £9,000

This is an ideal stepping stone to partnership. These expanding West End C.A.s are looking for an ambitious A.C.A. with good audit/accountancy background to move into general practice. You will be given an early opportunity to take on responsibility and work at partner level. Excellent planned prospects.

NEWLY QUALIFIED/OVERSEAS £High

We have a number of vacancies for qualified C.A.s to work with international firms at Senior and Manager level all over the world. Attractive locations include Canada, Hong Kong and the Bahamas.

COMPUTER TRAINING - CITY £9,000

Move into the fascinating area of computer audits. An A.C.A. will find a stimulating role in this national practice advising clients on new computer systems and their application. Make the most of this firm's modern approach to training and career development plan.

PERSONAL TAX - CITY £ NEG

A medium/large firm are seeking an assistant to augment their rapidly expanding tax department. Tax Assistants/Seniors should take this opportunity to progress in a worthwhile and beneficial manner into corporate tax training.

AUDIT/TAX/INSOLVENCY

Accountancy Personnel handles all work in the profession at all levels from student to partner. Our close links with firms large and small enable us to provide a range of opportunities that is second to none. See our advertisements in *Accountancy*, *Taxation*, *Accountants Weekly* and the *Daily Telegraph* or better still call in for a chat at one of our offices below.

N.B. LATE NIGHT OPENING THURSDAYS
UNTIL 7.00 P.M.

**14 Great Castle Street, Oxford Circus,
W.1. 01-580 9186**

**Halifax House, 62/64 Moorgate,
E.C.2. 01-628 8525**

Supervisor for Tax Department

required by Chartered Accountants in High Wycombe. Work involves all aspects of personal taxation and includes Schedule D and some Corporation Tax. Pleasant modern offices in Town Centre. Training facilities available. Good salary according to experience and qualifications. Send personal details to - David Johnston, Armitage & Norton, 39 Castle Street, High Wycombe or 'phone High Wycombe 38016.

EACOTT STANDING & COMPANY

is a progressive and expanding firm of Chartered Accountants with offices in Berkshire and Buckinghamshire. We have vacancies for a number of qualified Chartered Accountants or Finalists who are seeking an interesting and rewarding career in pleasant surroundings. Salaries are negotiable. **Telephone: K. Hurley at Burnham 65432.**

DO YOU HAVE DIFFICULTY IN WORDING YOUR ADVERTISEMENT?

**If so, may we help?
Ring 01-836 0832
Extension 30**

Partnership Secretary

CITY

to £10,000

Our clients, a medium-sized and growing City firm of Chartered Accountants, wish to appoint a highly capable person, with a good accountancy background, for this position which carries a considerable amount of responsibility.

The responsibilities of the successful applicant will include controlling the firms accounting system (with a cashier/book-keeper for the day-to-day working), supervision of the time records and their related input to the in-house computer, management of the administrative staff, maintenance and purchase of the office fittings and equipment and generally overseeing general administration.

Because the Partners consider this to be a key position within the firm they consider it to be important that candidates have a strong professional accountancy background.

Contact Chris Kuhn

**3RD FLOOR, WHEATSHEAF HOUSE, 4 CARMELITE STREET
LONDON EC4Y 0BN**

TELEPHONES 01-353 1307/1308, 01-353 5831

Dennis Chatfield & Associates

**TAXATION & ACCOUNTANCY RECRUITMENT
CONSULTANTS**

BOOK-KEEPERS BUREAU

OFFER A FIRST CLASS
RECRUITMENT SERVICE FOR

- * **BOOK-KEEPERS**
- * **ACCOUNTS CLERKS**
- * **WAGES CLERKS**
- * **MACHINE OPERATORS**

TOP CALIBRE TEMPORARY
PERSONNEL IMMEDIATELY
AVAILABLE FOR ALL AREAS

**39/40 ALBEMARLE STREET, LONDON W1X 3DF
01-491 8676**

**118 NEW BOND STREET, LONDON W1Y 0BH
01-493 9441**



Topcare

Executive Limited

Taxation & Audit Appointment Consultants

243 Regent Street, London W1. Telephone: 01 437 6063 (24 hours)

AUDIT

P.A. TO PARTNER, WC2 to £8,500
A young A.C.A. is sought to assist Partner responsible for training and technical development within this well established medium/large practice. Future prospects unlimited.

SENIOR (City) £GOOD
Charities Dept. of well established firm requires a mature person for this dept. to handle auditing and accountancy work.

NEWLY QUALIFIED, W1 £Negotiable
Well known West End practice seeks recently qualified A.C.A./A.C.C.A. with experience gained in medium-sized firm.

SENIOR, EC2 to £8,500
Large International firm requires lady/gentleman used to dealing with the audits and accountancy of small businesses. Many similar positions.

UNQUAL. SENIOR, EC4 c. £7,000
Our clients are a large practice who require an experienced person for one of their specialist departments.

SUPERVISOR, EC2 c. £8,000
This National firm require a young A.C.A. for their Personal Services Dept. and can offer a first class career within the firm.

FINALIST, EC2 £Negotiable
Very suitable post for a PEII finalist who seeks varying and interesting work within a congenial medium-sized practice.

SENIOR/SEMI-SENIOR, W1 £5,000-£8,000
Medium-sized firm in the heart of the West End seeks experienced Audit staff, Preferably, but not necessarily qualified.

P.A. TO PARTNER, EC2 to £9,500
An A.C.A. with some post qualification experience is sought by this medium-sized firm.

AUDIT MANAGER, WC1 c. £9,000
Very interesting post with small/medium-sized firm in Holborn area.

MANAGER/P.A., W1 £8,000 + car
Qualified person with experience of medium-sized firm is sought by this rapidly expanding West End firm.

SENIOR, SW1 £GOOD
Very good future prospects exist with this substantial practice for either a recently qualified A.C.A./A.C.C.A. or unqualified person with several years' experience.

TAX

CO. TAX SENIOR, W1 c. £9,500
Large commercial Group in the West End seek a well experienced person to deal with solely corporate taxation.

MANAGER (PERS), EC2 c. £8,000
This small friendly firm require a lady/gentleman who is well versed in Personal Taxation.

SENIOR, EC2 c. £7,500
Very suitable for someone who prefers to deal with a mixture of both personal and corporate tax. Medium-sized firm.

SEMI-SENIOR, W1 £6,500 +
Medium-sized firm urgently seek a lady/gentleman with previous professional office experience.

ASSISTANT, EC2 to £6,500
To handle personal taxation only. Reporting directly to the Tax Manager of this medium-sized practice.

SENIOR, EC2 c. £7,000
Old Established City practice seeks a mature person with several years' experience of personal taxation.

SEMI-SENIOR, NW1 c. £6,500
Knowledge of company tax would be useful although not necessary. The ability to advance is of prime importance.

SENIOR, EC4 to £8,500
Our clients seek someone with good all round tax experience which has been gained within the profession.

CO. TAX SENIOR, WC1 c. £8,000
Excellent prospects exist for someone with a few years' experience of Corporate Tax. Old established medium-sized firm.

NEWLY QUALIFIED, WC2 c. £7,500
International practice seeks recently qualified person who is keen to make a career in taxation.

TRUST STAFF

TRUST/TAX MGR, WC2 £8,000+
Previous professional office experience in this field is essential. Large firm.

ASST. MANAGER, EC2 c. £7,000
International firm of high repute seek a lady/gentleman with good previous experience of trust accounting.

MANAGER, WC1 £8,000 +
National firm requires someone with previous professional office experience to set up and manage a new department.

SENIOR, WC2 c. £6,500
Good trust book-keeping knowledge required by this large firm.

PROVINCES

AUDIT STAFF

Aylesbury - Seniors - to £7,250
Bradford - Mngr A.C.A. - c. £7,000 + Car
Cheltenham - Unqual Senior - £NEG
Colchester - Senior - £NEG
Colchester - Semi-Seniors - £NEG
Derbyshire - Senior - c. £7,000
Helston - Senior. A.C.A. - c. £5,750
Hereford - A.C.A. Audit & Tax - £NEG
Ipswich - Fnst/A.C.A. - to £6,000
Kettering - Mngr A.C.A. - to £9,000, & Special Assignments Mngr.
Leatherhead - Semi-Seniors/Seniors
Leeds - Senior A.C.A. - £NEG
Leeds - Unqual Senior - c. £4,500
Lewes - Semi-Seniors, Seniors, N.Q.
Luton - Semi-Senior - £NEG
Newcastle - Asst Mngr. - £7,000 +
Northampton - A.C.A. - c. £6,000
Oxford - Senior - to £8,000
Portsmouth - N.Q. A.C.A. - £NEG
Reading - N.Q. Senior - £6,000
Ross on Wye - Mngr. P/ship - £NEG
Southall - Mngr. P/ship - to £8,000
Swindon - A.C.A. - to £7,000
Trowbridge - N.Q. A.C.A. - to £6,500
Wembley - Senior - to £7,000
Yeovil - N.Q. A.C.A. - to £6,500

TAXATION STAFF

Beaconsfield - Personal Tax - £5,000 +
Bedford - Mngr. A.C.A./A.T.I.I. - £NEG
Blackpool - Personal Tax - c. £5,000
Bradford - Personal Tax - c. £5,500
Evesham - Personal Tax - c. £5,500
Exeter - Personal Tax - c. £5,000
Farnham - Sched D & CGT - £NEG
Harrow - Corp Tax Asst. - c. £6,500
High Wycombe - Personal Tax - £5,000 +
Kettering - Mngr A.C.A. - to £8,500
Leatherhead - Tax Senior - £NEG
Lytham - Personal Tax - c. £5,000
Manchester - Personal Tax - c. £6,000
Manchester - Senior, A.C.A. - £NEG
Mitcham - Personal Tax - to £7,500
Petersfield - Learn Corp Tax - £5,500
Portsmouth - Assistant - c. £3,500
Rushden - Tax Asst. - c. £4,000
Weybridge - Personal Tax - c. £5,000

It is impossible to list the hundreds of vacancies on our register and we can give but a small selection. If you do not see anything which seems exactly right for you, do not hesitate to ring or write; better still, call in for a friendly chat. We know we will be able to help. Our fast, efficient and friendly service is second to none.

AUDITAX ACCOUNTANCY POINTMENTS

TEL. 01-283 9863

AUDIT MANAGER CENTRAL to £12,000
Medium/large firm are seeking the above. Preference will be given to someone with a large-firm background who has a good working knowledge of modern auditing techniques.

TECHNICAL AUDIT SPECIALIST W.1 c. £10,000+
Medium-large firm require above. Ideally someone with a large-firm background with ability to lecture. This is a designate position.

AUDIT MANAGER N.N.Q. CITY c. £8,000+
Small rapidly growing firm are seeking the above. Must be prepared to be a 'shirt-sleeves' type and work within a friendly atmosphere. First-class Partners.

AUDIT SUPERVISOR CENTRAL £8,000
Medium/large firm are seeking the above. Ideally someone with a slightly larger type of background. Good firm, excellent offices, and first-class Partners.

AUDIT MANAGER SMALL AUDITS DEPT. CITY c. £8,500
Medium/Large Firm are seeking the above. Ideally they need someone with a working knowledge of Co. Secretarial, Liquidation and Receivership work. This is an old-established firm who are in a strong growth rate at the moment.

COMMERCIAL
Bought Ledger Supervisor. City company. £6,000. Good fringe benefits. 30-35.

WE PROMISE - WE WILL NOT WASTE YOUR TIME

Call Don Maggs or David Carline

3 Liverpool Street, London EC2M 7NH

Tel. 01-283 9863 (24 Hours)

PUBLIC PRACTICE

AUDIT SENIOR ST. ALBANS

We are an expanding Chartered Practice with a wide range of clientele. We require an audit Senior qualified by examination or experience to take direct responsibility for the preparation and audit of corporate accounts. - Apply The Staff Partner, George Arthur & Co, 36, Lattimore Road, St. Albans.

A.C.A. or finalist wanted for medium-sized West End firm. Good audit training will be given if necessary. Salary £7,000+. - Brian Ingram Associates, 01-458 5313 (9 a.m.-7 p.m.).

BLESSED & CO. - Our clients are always seeking accountants and trainees for the profession, commerce and industry. - 1 New Burlington Street, London W1. 01-734 5156 (24-hrs) or 113-115 Holloway Head, Birmingham B1. 021-643 7438 (24-hrs) (Emp. Agy).

BUSY EAST END PRACTICE requires junior staff. Varied and interesting work under experienced supervision. - Telephone 01-539 3775/4700.

CHARTERED ACCOUNTANTS in South West London require a person to act as partners' assistant and to manage a selection of cases, including taxation, on own initiative. Preferably qualified with at least two years post qualification experience but an unqualified person of long experience might be considered. Salary envisaged £6,000 to £8,000 plus benefits, according to age, qualifications and experience. - Send C.V. to Box CA 3099.

CHARTERED ACCOUNTANTS N.W. LONDON require junior and semi-senior staff. Training contracts including transfers available in suitable cases. - Box CA 3084.

CHARTERED ACCOUNTANTS require a trainee and semi-senior. Busy practice and varied work directly responsible to partners. Good salary according to experience. - Please write to Staff Partner, Goodman, Michaels & Rosten, 86 Gloucester Place, London W1H 3HN and/or phone 01-935 1600.

EXPANDING FIRM of accountants in Dulwich urgently require a senior and semi-senior accountant, qualified and/or experienced - able to work on own initiative, to prepare accounts from incomplete records and audit small companies. Salary £5,000-£8,000. - Write to or telephone, Leslie Sequeira, 01-693 9518, Leslie J. Sequeira & Co, Lloyds Bank Chambers, 2 Woodwarde Road, Dulwich, London SE22 8UJ.

OPPORTUNITIES IN THE WEST COUNTRY

Join a progressive medium-sized firm of Chartered Accountants intent on expanding its activities in Somerset, Avon and Wiltshire.

Several positions are available in local offices for good qualified and unqualified audit staff.

Above average salary and conditions for right persons.

Contact Box 01 30961

WEST END

Chartered Accountants

We are a rapidly expanding firm who require the following ambitious accounting staff:

1. A newly qualified person who is ready to assume a high level of responsibility, and capable of working on their own initiative, with the aid of junior staff.
2. An unqualified senior who has had more than three years practical experience.

Both positions secure a high salary level with prospects of promotion within the firm.

Please telephone or write **Alan Gerroll, FCA, ATII, 935-2964, Bloom Weinberg & Co., 69, Wimpole Street, London W1M 8ET.**

PRACTICE • COMMERCE • INDUSTRY • PRACTICE

FREE LIST

Salaries

£4,000-£10,000

Our free list contains over 200 vacancies for the qualified, part-qualified or experienced accountant. To receive a copy, without any obligation, please telephone, write or call.

Richard Owen Associates

Cross Keys House, 56 Moorgate, EC2. Tel. 01-638 1891

Licensed in accordance with the Employment Agencies Act.
Our service to applicants is personal, confidential and free

COMMERCE • PRACTICE • INDUSTRY • PRACTICE • COMMERCE

Finalists and Newly Qualified

Do you wish you were better informed?

We are able to offer you meaningful career advice and detailed information on all sizes of professional firms, and industrial and commercial companies. By being constructive now in establishing your career objectives and being honest about your strengths and weaknesses, you could well accelerate on the chosen path in your first years as a qualified accountant. We are aware of the areas of specialisation, training and types of experience to be gained in the professional firms and companies currently recruiting. To arrange an informal discussion or to find out more on the positions currently available, contact JOHN R. ELLIS, FCA, on 01-405 3499.

Current Professional Opportunities include:

PA TO PARTNER
PA TO PARTNER
COMPUTER AUDIT SENIOR
AUDIT SENIOR
INSOLVENCY SENIORS
AUDIT SENIORS
AUDIT SENIORS
FINALISTS

C. London	£9,000	(5 Partners)
C. London	£9,000	(20 Partners)
C. London	£8,000 +	(20 Partners)
West End	£8,000	(10 Partners)
City	To £8,000	(Large)
City	To £7,500	(20 Partners)
City	c £7,000	(Large)
City & West End	To £6,500	(All Sizes)

U.K. LOCATIONS
Birmingham, Bristol, Cardiff, Eastbourne, Exeter, Ipswich, Leeds, Leicester, Liverpool, Manchester, Newcastle, Nottingham, Reading, Slough, Southampton, Woking.

OVERSEAS
France, Holland, Italy, Australia, Bahamas, Hong Kong, Kenya, South Africa, South America

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499

CORNWALL. - Accountants in Newquay require a young qualified senior, experienced in incomplete records and taxation, as assistant to senior partner. - Apply in writing to Whitaker, Redfearn, Pappin & Co, 5/7 Berry Road, Newquay, Cornwall.

FINCHLEY PRACTICE wants 3 semi-seniors - minimum two years' experience. Good training on audit, tax and accountancy - competitive salaries paid. - Brian Ingram Associates, 01-458 5313.

HOMEWORK IN ESSEX. - Accountants, book-keepers, etc., required. Send full C.V. in strictest confidence to RMA, 157 New London Road, Chelmsford, Essex.

NEWLY QUALIFIED C.A. - chartered accountants in vast expanding North London practice have a vacancy for a newly qualified chartered accountant. Young go-ahead firm with interesting and varied clientele, in-house computer, career prospects. - Reply to Kruger & Co, Chartered Accountants, King House, 60/64 Matthias Road, London N16 8NW. Telephone 01-249 8571.

NOTTINGHAM SOLICITORS require a person experienced in taxation and in the administration of trusts and settlements. - Apply Rotheras, 24 Friar Lane, Nottingham NG1 6DW. Tel: 40831. Ref: PMcC.

Manchester Chartered Practice require
CLERK

Experienced in Company and Incomplete Records Accounts
Please write to Box MC 7206.

PERSONAL ASSISTANT, preferably qualified, required by two-partner firm of chartered accountants near Staines. Must be able to handle clients and deal with incomplete record jobs and small company audits without supervision salary to £7,250. - Box PA 3094.

PERSONAL TAX ASSISTANT required (semi-senior) by chartered accountants in City near Liverpool Street. - Tel. 01-247 9853.

PERSONAL TAX SENIOR

An experienced tax senior is required by a small Chartered firm in the West End. The position entails reporting directly to a partner and carries individual job responsibility.

We offer flexible working hours with a friendly atmosphere and a starting salary in the region of £7,500 p.a.

Please apply giving brief details of career in own handwriting to:

Sme Moore & Co,
50 Monmouth Street,
London WC2H 9ES.

QUALIFIED ASSISTANTS required for expanding firm of chartered accountants shortly moving to new premises in Loughton, Essex. Attractive salaries offered. - Box QA 3086.

QUALIFIED/NEAR QUALIFIED accountant required to manage small branch office at Worcester. Small flat may be available. - Please write fully to: Staff Partner, Smith & Co, West Lodge, Leominster, Herefordshire.

QUALIFIED or almost qualified staff required for interesting and challenging work with a progressive young firm of chartered accountants in Central London. The work involves varied audit assignments with related taxation experience. - Box QO 6452.

S.C.A./A.C.A./A.C.C.A. required urgently. Maximum salary available. Essex office. Box SC 3107.

£8,000 to £25,000 p.a.

The Unadvertised Positions in the Accountancy Profession

■ **THE SERVICE RMA** are acknowledged specialists for Practice Merger, Association, Disposal, Dispute and Counselling, nationwide. As a result of our success and close links with Principals we are entrusted with many unadvertised and exceptional opportunities for Partners, Managers, Specialists and seniors in public practice.

■ **TO APPLICANTS** The value of our service is that you will be able to review attractive possibilities without disclosing your identity or intentions - safeguarding your present position. Our service is completely free to all applicants and we suggest that nothing can be lost by contacting our Managing Partner in confidence immediately.

■ **TO CLIENTS** As the Partners, Managers and Specialists in any Practice are the key to profitability and growth, it is essential to have only professionals of proven ability in executive positions, remembering that in a service business, such as a professional Practice, the top people are the business. Confidentiality will be assured.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

NORTH EAST



**TYNE & WEAR
YORKSHIRE
QUALIFIED & EXPERIENCED
to £10,000
Industrial and Professional**

TYNE & WEAR

S232 Tax specialist as Manager with national firm. All-round involvement including tax planning at all range of portfolio levels. — **c. £10,000**

W295 Company accountant with subsidiary of national group. Industrial town appointment with financial bias. Qualified or well-experienced person. — **c. £7,000**

S277 Young A.C.A. for small town appointment eager to specialise in general practice work including taxation with friendly but progressive chartered accountants. — **c. £7,000**

S298 Mature senior for established Sunderland chartered accountants offering stable career and rewards with chance to work on own initiative involving interesting nucleus of clients.. — **to £6,000**

S193 Young finalist as audit senior with Newcastle office of national chartered accountants. Chance of considerable responsibility after initial training. — **to £5,500**

YORKSHIRE

W211 Company accountant. West Yorkshire. Private wholesale group. A.C.A. 25-plus as first commercial appointment. — **to £8,000**

W293 Management auditor. West Yorkshire based for manufacturing division of nationally quoted group with area responsibility in the North. Chance of line management appointment later. — **£7,500 + Car**

S113 Small practice Manager for thriving independent West Yorkshire firm. Back-up tax knowledge essential. — **£7,500**

S168 Young A.C.A. for South Yorkshire. Small industrial town practice needs ambitious person prepared to prove ability for vacant junior partnership. — **c. £7,000**

S204 Audit senior, qualified, for West Yorks office of national firm. Good spread of company clients with training in latest techniques where necessary. — **c. £6,500**

S233 Experienced Senior, 27-40. Well-established West Yorks firm. Responsibility for company audit and small accounts work. — **c. £6,000**

S294 Newly qualified as P.A. to partner for small North Yorkshire country town firm. Chance to develop career with well-established practice. — **c. £6,000**

S19 Young Senior, no longer studying, for South Yorkshire town firm to specialise in small accounts work. — **c. £5,000**

S311 P.A. to partner with South Yorkshire industrial town firm for involvement in small and medium-sized clients, also taxation. Well suited to finalist. — **c. £5,500**

S200 Accounts assistant, 22-40, West Yorks, for incomplete records, small company audits. Suit young I.A.S. student or older person returning to the profession. — **to £4,500**

WESSEX CONSULTANTS



2 PETER STREET
YEOVIL, SOMERSET
0935-25996/25183



SENIOR AUDIT ASSISTANT

Norton Lewis & Co have a vacancy for a competent senior. The applicant should be capable of handling work which will vary from small business accounts to medium-sized private. We are looking for someone with initiative, experience and an understanding of the work. The salary will be at least £5,500 pa, but we will be prepared to pay a much higher figure for the right applicant. — 246-248 Great Portland Street, London W1.

SENIOR AUDIT CLERK required for busy firm of accountants in London N.W.11. Experience to include incomplete records and medium and large private companies' accounts. Age no barrier. Good salary. — Tel. 01-458 7427.

SENIOR PARTNER of progressive firm of chartered accountants with in-house computer, require qualified personal assistant to manage his section of clients. Partnership prospects for right person. — Apply to Staff Partner, Neil Jones & Guest, 78 High Street, Lewes, Sussex BN7 1XN, Phone 07916-71341.

SENIORS REQUIRED for branch offices in small market towns Shropshire/Welsh border area. Experience of incomplete records, small companies, taxation. Partnership opportunity. Age, qualifications, experience to F. L. Constable, Whittingham Riddell & Co, Ellesmere, Salop.

SOUTH KENSINGTON C.A.s require young recently qualified audit/tax manager. Medium/small businesses. Good salary. Excellent offices. 01-428 0418 or 01-589 6855.

UNIQUE OPPORTUNITY for keen chartered accountant in smaller city professional office, starting at £9,000 p.a. and reviews 6 monthly. — 01-405 4457.

TRAINING CONTRACTS

ARTICLED CLERK, foundation completed or transferee, required by chartered accountants London NW6. Thorough training. Personal supervision. Good progressive salary. — Write Box AC 3077.

ARTICLES/TRANSFERS from £3,250. — Pembroke & Pembroke operate a national service. — Please ring Mark Pembroke, F.C.A. or A. M. Pembroke on 01-236 0011.

STUDENT taking certified course required for practice near Euston, London NW1. Training given for computer accounting, audit and taxation under partners' supervision. Progressive salary. — Box ST 3097.

TRAINING CONTRACT is offered by a six partner firm in London W2 to students with an above average foundation course result. We are prepared to discuss future arrangements with students nearing the end of their course. Progressive salaries, course fee and study leave are all paid by the firm. Closely supervised training programme for exams. Practical training by partners. — Box TC 3078.

COMMERCE & INDUSTRY

Qualified Accountant

Daventry

£7,000

Financial Accountant required for eventual Board appointment to control and forward plan expanding machinery distribution (turnover £1 million). The successful applicant will take charge of preparation of accounts and management information. — Reply to: **A. E. Limehouse & Co, 3 Whitehall Road, Rugby CV21 3AF.**

NOTICE TO APPLICANTS

YOUR OWN FIRM?

Do you hesitate to reply to an advertisement with a Box number in case it may have been inserted by your present employer?

A reply may safely be sent, however, by adopting the following procedure: place the reply in a sealed envelope, unstamped, addressed to the relevant Box number only. Enclose the sealed reply in another envelope addressed to 'Box Number Replies', Gee & Co (Publishers) Limited, 151 Strand, London WC2, with a covering note stating that reply should be destroyed if the advertisement concerned has been inserted by your firm or company.

If your company is a member of a group of companies it is advisable to give the names of all the companies concerned rather than to specify merely the name of the group.

We cannot inform applicants as to whether their replies have been forwarded or destroyed as such information would possibly reveal the identity of an advertiser.



**The Distillers
Company Limited**

Group Taxation Manager

This large UK based Group of companies is engaged primarily in the production and worldwide marketing of Scotch whisky and other potable products.

A taxation specialist is required to succeed the Group Taxation Manager who is retiring. The person appointed will occupy a central role in the Group financial management team based in Edinburgh. Key tasks are to act as tax consultant and mediator for all UK companies in the Group; to advise Group management on the tax implications of investment and commercial decisions; and to develop the tax planning function in the light of existing and new legislation.

Candidates, probably aged over 35 and professionally qualified, must offer extensive corporate tax experience gained either in industry or in the profession and preferably including some experience of international taxation problems.

Salary negotiable around £15,000 p.a., company car, non-contributory pension and life assurance scheme, relocation assistance if appropriate.

Please write with brief details — in confidence — to

**Mr. R. S. Temple, Director, The Distillers Company Limited, 12 Torphichen Street,
Edinburgh EH3 8YT.**

UNIVERSITY OF BIRMINGHAM HEALTH SERVICES MANAGEMENT CENTRE

Lecturer/Senior Lecturer in Financial Management

The Centre, at the invitation of the Department of Health and Social Security and National Health Service authorities, has begun to play a major national role in teaching and research aimed at developing the effectiveness of financial management in the NHS. In the exploratory stage the Centre has undertaken postgraduate teaching and provided a variety of seminars for senior NHS finance specialists and members of other health professions, as well as launching complementary research investigations.

We are now looking for someone who can provide academic leadership for this work as a member of a team with complementary skills, and can help to shape its future in close liaison with the NHS and DHSS. The post is tenured and carries associate status in the Department of Accounting.

Candidates should have a sound knowledge of modern accounting theory and practice in relation to the public sector, and the capacity to apply this to key issues in the financial management of the NHS. The appointment will be made at the lecturer or senior lecturer grade depending on qualifications and experience, and responsibilities being adjusted accordingly. Salary scale (under review): £4,333–£8,992 (lecturer); £8,698–£10,775 (senior lecturer).

For further information and application form write to Miss L. R. Heyes, Senate Registry, University of Birmingham, P.O. Box 363, Birmingham B15 2TT, to whom applications should be sent to arrive by January 22nd, 1980.

OVERSEAS

TWO BRITISH NATIONAL QUALIFIED chartered accountants A.C.C.A. required immediately for professional firm in Saudi Arabia. Salary £15,000 tax free, with transport and accommodation. Start January 1980. — Phone or write to Mr Khan, 2 Courtside, Dartmouth Road, London SE26 4RE. 01-699 0109.

PARTNERSHIPS AND PRACTICES

A BRIGHT YOUNG chartered accountant with all-round experience seeks partnership with sole practitioner or small firm. Capital available. Would also consider subcontract work and temporary assignments. — Please reply to Box AB 6457.

A. B. OSMAN & COMPANY LTD provides specialist tax advisory service to accountants throughout the U.K. — For details, please phone 01-623 6150/01-623 6160 or write to A. B. Osman, Monument Station Buildings, 53-54 King William Street, London EC4R 9AA.

CERTIFIED ACCOUNTANT seeks GRF between £10,000 to £40,000 around SW. London/North Surrey/Middlesex Border areas. Initial subcontracting or other propositions welcome. — Box CA 3098.

CHARTERED ACCOUNTANT in practice requires G.R.F. £50,000. All replies will be treated in strictest confidence. — Box CA 6460.

CHARTERED ACCOUNTANT with a practice in West London wishes to acquire a small practice/block of fees, would also be interested in discussions with practitioner considering retirement. — Box CA 6459.

CITY CHARTERED ACCOUNTANTS with surplus self-contained offices seek association with sole practitioner to utilise spare office space and share services to mutual advantages. — Please reply to Box CC 6461.

CITY FIRM of chartered accountants concerned to give a personal service to clients is interested in acquiring additional fee income from a practitioner wishing to retire. — Box CF 3079.

CUMBRIA. — Expanding chartered practice for sale. Gross income approximately £30,000. Excellent staff. Long lease. — Box CE 3108.

EAST LONDON CHARTERED ACCOUNTANT, sole practitioner, wishes to acquire block of fees up to £10,000. — Please reply to Box EL 3088.

EAST LONDON/ESSEX practice for sale. GRF £150,000. Financial/management/staff arrangements flexible. Offers to Box EL 3110.

IMMEDIATE PARTNERSHIP available, small practice in Essex, financial arrangements flexible. Box IP 3109.

LEEDS, MERGER OR ACQUISITION. — Old-established Leeds practice, GRF c. £300,000 seeks to expand by merger or the acquisition of blocks/practices. The area of particular interest falls within a fifteen-mile radius of Leeds. Firms seeking merger can greatly benefit by our clients' excellent facilities and highly respected professional position. In the event of a suitable acquisition up to one-and-a-half times GRF will be offered and attractive consultancy options can be provided if required. Contact us in complete confidence. — RMA, 0245 81166.

PARTNERSHIPS. We have clients in all areas of the United Kingdom interested in acquiring/disposing of practices and blocks of fees having G.F. between £10,000–£500,000. — Dennis Chatfield & Associates, Wheatsheaf House, Carmelite Street, London EC4Y 0BN. Telephones 01-353 1307/1308/5831.

PRACTITIONER requires practice/block in Gloucester/Forest of Dean/Hereford area. — Box PR 3080.

SMALL PRACTICE or block of fee required within 20 miles radius of Worcester. All proposals considered. — Box SP 3081.

SOLE PRACTITIONER (51) — F.A.P.A. F.B.A.A., situated Guildford area. G.F. £18,000. Welcomes discussions with a view to a merger or share services to a mutual advantage. — Box SP 3069.

PROFESSIONAL SERVICES DIVISION

Our Professional Services Division was formed since we found that as recruitment consultants to the professions we were being asked to look not simply for partners but to assist with the acquisition, disposal and merging of professional practices. We are now advising a large number of practices, both nationally and internationally, and we invite practitioners and firms considering sale, purchase, merger, association or representation to contact us for details of our service.

**DENNIS CHATFIELD & ASSOCIATES,
WHEATSHEAF HOUSE,
4 CARMELITE STREET,
LONDON EC4Y 0BN
TELEPHONES 01-353 1307/8
01-353 5831**

The Leeds Area West Yorkshire office of a National Practice seeks Merger or Acquisition

■ **OUR CLIENT** A long-established Chartered Practice, with well appointed offices in the centre of Leeds, now wishes to expand by means of a suitable merger and/or acquisition.

■ **MERGER PROPOSALS** If you are a small- to medium-size firm, situated within the Greater Leeds area, and wish to advance your position and obtain excellent operating, economic, geographic and personal benefits, contact us in the strictest confidence for a discussion.

■ **ACQUISITION PROPOSALS** Practitioners who are contemplating disposal are offered up to 1½ times their GF and, in addition, highly attractive on-going consultancy arrangements can be tailored to suit each particular personal circumstance.

■ **CONTACT** The Managing Partner of RMA today for further details of these exciting and growth related opportunities in complete confidence. Your identity will not be disclosed without permission.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables RESOURCE

Professional Practice Disposal/Merger/Acquisition Great Britain & Europe

RESOURCE MANAGEMENT

RMA have completed many U.K. assignments and can investigate numerous proposals of interest without giving the client's identity. Property disposal and acquisition undertaken. Finance available.

PRACTICE VALUATION

Practice valuation given for assessing the equity share of incoming or outgoing partners, practice disposal, acquisition or merger and also for internal, appraisals. Valuations are prepared within 7 days.

PRACTICE DISPOSAL

Overwork, dispute, poor health, death, cash flow, other options, retirement? The discreet U.K. service of RMA will help you reap the maximum personal and financial benefit. References are available on clients' request.

DISPOSAL CONSULTANCY

Smaller practices can sell while partners continue with a consultancy agreement and enjoy growth, capital, tax benefits, greater scope, security, flexibility and cover. Act now, avoid loss, worry and uncertainty.

TIMING THE DISPOSAL

Many leave this important matter until it is too late causing embarrassment and loss to relatives and staff. Now is the time to plan other interests, retirement and succession before the price multiple erodes further.

PRACTICE MERGER

Mergers often result in fast growth and can be achieved without a big capital outlay. The combined resources only enhance the firm's future development prospects for the attraction and retention of major clients.

MERGER ADVANTAGES

Mergers provide more scope for partners and staff, effect substantial economies, justify specialist departments, strengthen technical abilities and give greater cover, security, flexibility and also profitability.

PRACTICE ASSOCIATION

Provincial and suburban practitioners can benefit geographically and operationally by a discreet association with London based practitioners of repute, thus providing an uncommitted try-out for a future merger.

PARTNER RECRUITMENT

As the partners are the key to profitability it is essential to have Practice Principals able to get/retain client loyalty, generate new business and keep abreast of legislation. We specialise in this kind of introduction.

THE ADVISORY SERVICE

Firms wishing to merge, dispose or develop can be visited for a confidential discussion. The fee for this is pre agreed and is fully deductible in the event of a deal. Identity not disclosed without consent. Tel. 0245 81166.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

Acquisition/Merger Req'd in South of London or Surrey by City Practice GF £1m

■ **LOCATION.** A highly respected City firm of long standing now wishes to expand by means of a compatible acquisition or merger in the South of London/Surrey and will seriously consider blocks or practices in this area.

■ **OUR CLIENT.** With a partner/Staff complement of c. 100, GF over £1,000,000, strong and comprehensive city connections, a national clientele, advanced systems, valuable training facilities and excellent client acceptance, we feel that superb prospects exist for rapid personal, professional and steady financial advancement.

■ **OUR PROPOSALS.** If you are overworked, under capitalised or frustrated and wish full/partial withdrawal our client can offer an attractive capital payment of up to 1½ times GF depending on size and quality, with continuity. Alternatively should a merger, appeal, then generous personal and financial terms will be equitably negotiated and full recognition given to each partner's stature, professional ability and personal contribution.

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

Practice for Disposal in Belfast with GF c. £20,000

■ **THIS IS A RARE** opportunity to acquire a long-established practice which operates from well appointed offices near the centre of Belfast. The practice was founded at the beginning of this century and has continued to provide an attentive service to its mixed N. Ireland clientele.

■ **THE AVERAGE** fee is approximately £500 and the profitability is also very good. The vendor wishes to gradually phase out into retirement and is therefore willing to provide excellent continuity to preserve and promote the valuable goodwill.

■ **A LEASE** will be available and serious enquiries are invited from firms of substance and standing. It is envisaged that a lump sum will be agreed for the goodwill, half of which will be paid on completion and the balance spread over a period to be agreed.

Write in complete confidence to
D. J. Dormer as adviser to the Practice

RESOURCE MANAGEMENT ASSOCIATES
157 New London Rd Chelmsford Essex England
☎ 0245 81166/81161 Cables Resource

SOLE PRACTITIONER with part-time practice in South West London for immediate disposal. — Box SP 3103.

SOUTH BUCKINGHAMSHIRE chartered accountants practice, established over 30 years for sale. Two full-time partners and one part-time together with secretarial staff. One full-time partner and one part-time partner retiring due to age. The remaining partner prepared to continue to ensure satisfactory continuity. Fees for current year approx. £45,000 including £38,000 recurring. Lease of more adequate office space at very low rental until 1989. Write in confidence preferably indicating basis on which prepared to negotiate the value to be placed on good will. — Box SB 3072.

SUBCONTRACT WORK

HOMEWORK IN ESSEX. — Accountants, book-keepers, etc., required. — Send full C.V. in strictest confidence to RMA, 157 New London Road, Chelmsford, Essex

A CHARTERED ACCOUNTANT with lots of experience in all fields available for subcontract work and temporary assignments. Contact immediately. — Please reply to Box AC 6463.

CHARTERED ACCOUNTANT seeks subcontract work in Central or West London or Thames Valley area. Wide professional experience in all fields. Flexible arrangements. — Box CA 3073.

GREATER MANCHESTER. — Subcontract accountant requires work. Extensive experience in sole traders, partnerships etc, and all relevant taxation matters. High standard of preparation guaranteed, at reasonable rates. Prompt collection and delivery. — Box GM 6464.

LONDON F.C.A. with wide practice experience available to assist practitioners requiring skilled professional assistance. — Box LF 3083.

T.F.A., P.E.II FINALIST with 12 years' experience in preparation of accounts from incomplete, complete records, auditing and taxation, requires subcontract work, anywhere in Central and South West London. — Box TF 3104.

SITUATIONS WANTED

A CHARTERED ACCOUNTANT available for long or short term. All-round experience. Contact immediately. — All replies to Box AC 6466.

ACCOUNTANCY ASSISTANCE

Available immediately. Let the **HARRISON/WILLIS TASK FORCE** overcome your problems during holidays, sickness, or on special projects, etc. Qualified, competent personnel available. Lowest competitive rates. — Call Barbara Kenton today at 01-493 9441, Harrison & Willis Ltd, 118 New Bond Street, London W1.

BOOK-KEEPER, QUALIFIED (60) with car requires part-time work in East London and South Essex. — Telephone 0702-335823.

ABLE ACCOUNTANTS immediately available for temporary assignments throughout the UK. All vetted by Mark Pembroke, F.C.A. Lowest competitive rates and fair trial period. — Pembroke & Pembroke 01-236 0011 (London) or 021-236 5513 (Birmingham).

PART QUALIFIED young man with seven years' professional experience. — Box PQ 3074.

ACCOUNTANTS, BOOK-KEEPERS AND CLERKS
Available on **SELF-EMPLOYED** **TEMPORARY** basis and for **PERMANENT** posts in the U.K. and overseas.
PRACTITIONERS SERVICES BUREAU
Employment Agency Business
6 Clements Road, Ilford, Essex
01-553 2184/5
Freelances and Job Applicants required also.

SERVICES

COMPANY FORMATIONS

READY-MADE COMPANIES £93.35 including books, seal, VAT. Guaranteed no trading. *Own names* registered from £81.68 including books, seal, VAT, *Speedy searches*. — Graeme Limited, 61 Fairview Avenue, Gillingham, 0634 32558.

READY-MADE COMPANIES NOW AVAILABLE

British
Company Registration
Agents Ltd
38-40 Featherstone Street
London EC1
01-251 0344

READY-MADE COMPANIES AND SPECIAL FORMATIONS

£95 INCLUDING VAT, Fees, Books, Share Certificates, Seal.

A quick, efficient and personal service for those who expect something a little better
M. R. CHETTLEBURGH LIMITED
140, 141 **TEMPLE CHAMBERS, TEMPLE AVENUE, LONDON EC4Y 0HE.** Tel. 01-353 1441
Ring any day — any time — 24 hour service

COMPANY FORMATIONS READY-MADE COMPANIES COMPANY SEARCHES

for
immediate attention
write or phone

THE LONDON LAW AGENCY LTD

Temple Chambers
Temple Avenue
London EC4Y 0HP
01-353 9471 (6 lines)

LIMITED COMPANIES

formed to your requirements
with clients choice of name

READY MADE COMPANIES £95
including duties, books, seal & VAT
NO EXTRAS

COMPANY SEARCHES

Same day service

Phone 01-628 5434/5
3177/8, 7361, 9936
Telex 887475

Express Co
Registrations
Ltd 30 CITY ROAD
LONDON EC1

READY-MADE COMPANIES available now, also formations, etc. — Reichman & Wing, 134 Percival Road, Enfield, Middlesex. Telephone 01-363 4382 and 7387 (A.C.R.A. member).

LIMITED COMPANIES

**NEW FORMATIONS, OR
READY-MADE COMPANIES**

£90 complete

including VAT, duties, combined
register, seal, forms filed, etc.

NO HIDDEN EXTRAS

ALSO

COMPANY SEARCHES

increases, name changes, etc., etc.
Descriptive Literature from:—

**GRAYS INN COMPANY
FORMATIONS LTD**
87-89 Tabernacle Street,
London EC2A 4BA
(Phone: 01-253 3551/2)

**It's like having a team of
clerks on standby whenever
you need them**

How often do you find your firm is stretched to the limit? A backlog of important stamping, probate, liquidation, filing and registration work with no one on hand to tackle it? That's when Jordans Law Agency and Business Services Department, with over a hundred

years' experience behind it, comes into its own. Why don't you make use of it now? Contact us on 01-253 3030.

Jordans
**We always come up with
the answers**

JORDAN HOUSE, BRUNSWICK PLACE LONDON N1 6EE

MORTGAGES

ABANDON CHASING THAT MORTGAGE. — 100 per cent loans to qualified accountants up to £22,000. High advances to £50,000. — Professional Mortgage Services, 5-7 Muswell Hill, London N10 (01-883 9595).

COMPREHENSIVE MORTGAGE SERVICE. — Maximum loans for professional applicants. Very competitive up-to facilities. Attractive second mortgage scheme. Speedy mortgages for sitting tenants. Remortgages, commercial loans, consolidation of existing borrowing, etc. Personal attention. Members of Corporation of Mortgage and Finance Brokers. — Lowe, Charles & Co Ltd, Hill House, Wembley HA9 9LD. 01-908 3434 (24 hours).

100 PER CENT MORTGAGES available up to £22,000 for house purchase, 90 per cent up to £25,000. Re-mortgage and investment property mortgages also available. — Contact Callander Securities Ltd, 15 Fish Street Hill, London EC3R 6BP 01-623 2844).

MISCELLANEOUS

PERSONAL

DATeline's psychologically accurate introductions lead to pleasant friendships, spontaneous affairs, and firm and lasting relationships including marriage. All ages, all areas. — Free details: Dateline Computer Dating (Dept. AH1), 23 Abingdon Road, London W8. Tel. 01-937 6503.

TRY HARMONY MARRIAGE BUREAU, for caring personal attention, for people of all ages alone. — Phone 01-886 2489 or write to 1 Oaklands, Winchmore Hill, London N21.

BUSINESS PREMISES

SOUTH EAST LONDON small offices to let. — All services provided, ring 01-291 3131.

OFFICE MACHINERY AND EQUIPMENT

RUBBER STAMPS — NORMAL SERVICE THREE DAYS. — Signature stamp and special blocks seven-ten days. Also daters, company seals, pads, ink, etc. Competitive prices. — F. H. Greenhalgh, Universal Buildings, Garnet Street, Stockport SK1 3AR. Tel. 061-480 3826.

WANTED in good condition secondhand Keinzle 2000/2000S to be stable-mate for our existing machine. — If your machine is looking for a new home, please contact Mr Bryant or Mr Jenkins on 01-638 1001.

1979/1980 FACSIMILE TAX FORMS NOW AVAILABLE

SHARPTHORNE PRESS

149 Stafford Road, Wallington, Surrey
Tel. 01-647 9510

BUSINESS OPPORTUNITIES

SWITZERLAND

Ski chalets and apartments by Lake Geneva and in surrounding ski resorts. An extremely desirable investment for professional people and clients. Write initially for details to Victor Stewart & Co, 50 George Street, Croydon, CR0 1PD.

STOCK VALUERS

ABOUT STOCKTAKING AND VALUATIONS of trade stocks anywhere in Britain consult John Tarryer & Co, F.V.S.A. 121 Bridge Road, East Molesey, Surrey (01-979 5599).

CONDITIONS OF ACCEPTANCE OF CLASSIFIED ADVERTISEMENTS

1. The publishers cannot guarantee insertion on any specified date, but every effort is made to comply with advertisers' requirements.
2. The publishers will not be held liable for any loss occasioned by the failure of any advertisement to appear from any cause whatsoever.
3. The publishers will not accept responsibility for printing errors which may appear or for any consequences arising therefrom.
4. Box number addresses must not be used for the receipt of original documents, goods or payments of any kind, nor are they available for the distribution of circulars or canvassing matter. Any letter is liable to be opened for examination of its contents.
5. The right is reserved to refuse, cancel, suspend publication, or alter any advertisement which in the opinion of the publishers does not conform with recognized professional standards.

ANNUAL RETURN — COMPUTERISED

CTS (Statutory)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 0111

Fully automated AR service for £6 pa, to include annual planner, monthly notification and reminders, and Registrar-approved form 6a, and copies.

COMMERCIAL ACCOUNTING COMPUTERISED

Jaguar Computing Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH
Tel. 01-863 9355

We offer the complete service for Practitioners' clients covering all the accounting routines. Operated either 'batch, on-line, or in-house'.

COMMODITY BROKERS

Jeremy Oates Ltd

16 Monument Street, London EC3R 8AJ

Specialists in individual Private accounts

COMPANY FORMATIONS

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Specialists in the formation of ready-made, standard and custom-made companies

COMPANY INFORMATION

Stanley Davis (Company Services) Limited

15-17 City Road, London EC1Y 1AA.
Tel. 01-588 6631 Telex: 888605

Ready Made Companies and Domestic and International Company Formations.

Jordans

Jordan House, Brunswick Place, London N1 6EE
Tel. 01-253 3030. Telex: 261010

Leading company information specialists and publishers of major financial surveys

COMPUTER CONSULTANTS

Alan Duck and Associates Ltd

Circle House South, 65-67 Wembley Hill Road, Wembley, Middx. Tel. 01-903 6455

Specialist Areas: Feasibility studies, cost/benefit analysis, assistance with computer selection and implementation.

COMPUTER SERVICES

CMG Computer Management Group (UK) Ltd

Sunley House, Bedford Park, Croydon CR0 2AP
Tel. 01-681 7631

Over 250 firms of accountants use CMG's computer services, which include financial accounting payroll and time recording either for their own firm or on behalf of their clients

Computer Information Centre Ltd

225 Seven Sisters Road, London N4. Tel. 01-272 5436

Specialist Areas: Systems for accountancy partnerships, office computers for commercial accounting

Computer Services (South West) Limited

Millbay Road, Plymouth, Devon. Tel. 0752 68814

Specialist areas — suppliers of 'in house' computer systems (Incomplete Records, Time Records, General Accounting) and marketing software throughout UK

Extel Computing Ltd

1-9 City Road, London EC1Y 1AA. Tel. 01-638 5544

TRIPOS — An income scheduling and CGT service designed for Accountants

M.A.C.S. Ltd — Computer Systems and Software

375 Stanley Road, Bootle, Merseyside L20 3LF
Tel. 051-922 9566

Liverpool, Leeds, Manchester, Birmingham, Bristol. The supply of computer hardware and software for a wide range of commercial and industrial applications.

Midlands Computer Centre Ltd

Lichfield House, 85 Smallbrook Queensway, Birmingham 5. Tel. 021-643 4743

Auditors Time Billing System. Financial and Production Systems. Batch and On-Line Processing

Services Directory

MPL Computers Ltd

Kingsditch Lane, Cheltenham. Tel. (0242) 37636

Suppliers of mini computers and financial programme packages. Designed for professional accountants and their clients.

Saint Andrew Computers Limited

9 South St David Street, Edinburgh. Tel. 031-556 7554

Computer Bureau. Specialist areas. Assets Register. Property Management. Send for free Brochure

PA Computers and Telecommunications (PACTEL)

Management Consultants, 33 Greycoat Street, London SW1. Tel. 01-828 7744. Telex. 8813082

Specialist areas: systems implementation, networks, information management, word processing, OR, marketing, software products

CONSULTANTS

Cockman, Copeman & Partners Ltd

9 Staple Inn, London WC1V 7QH. Tel. 01-405 0663

Employee share and incentive schemes, remuneration and benefit planning, personal financial counselling

Richard Grenville Ltd

15 Wilson Street, London EC2M 2TQ. Tel. 01-628 4892

Investment management. Self-administered pension schemes

COPYING EQUIPMENT SUPPLIERS

Alger Brownless Court Ltd

Copying Consultants. Head Office: 100 Tooley Street, London SE1. Tel. 01-407 9587. Showrooms:

27 Montpelier Vale, London SE3. Tel. 01-318 4394

Advice—Sales—Service on the widest range of new and reconditioned plain paper copiers

FINANCIAL

Capital & Income Consultants

Hillgate House, Old Bailey, London EC4. Tel. 01-148 6321

Corporate/personal tax counselling, executive fringe benefit plans, investment advice and school fees provision

FINANCIAL AND MANAGEMENT SERVICES—COMPUTERISED

CTS (Small Business Development)

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Practitioners can, in association with us, provide management information with ease and profitability to clients. Cash flows, profit forecasts etc.

FINANCIAL PLANNING SERVICES

Alan Smith, Aston & Partners Ltd

94/96 Newhall Street, Birmingham. Tel. 021-236 0891

Managing Director: T. A. Smith, B.Com., F.C.A., F.P.M.I.

Self-administered or Insured Directors Pension Schemes. Tax-efficient investment for income and/or growth.

FINANCIAL PR CONSULTANTS

Parker PR Associates Limited

22 Red Lion Street, London WC1R 4PX. Tel. 01-405 3353. Telex. 264420. Contact Michael Southgate

Service to Industry, Press/Stockbroker/Shareholder Relations, Annual Reports, Reporting to Employees

FINANCIAL TRAINING

Mobile Training & Exhibitions Ltd

Imperial Buildings, 56 Kingsway, London WC2B 6DX. Tel. 01-242 3067

CPE accredited courses for accountants. Public seminars, audio visual and in-house financial training.

INFORMATION MANAGEMENT SERVICES

LMR Computer Services 54-70 Moorbridge Road, Maidenhead, Berks SL6 8BN. Tel. (0628) 37123

On-line information update, enquiry, analysis selection and reporting. Linked with text processing and document production. Mailing, personnel, property, sales administration, etc

INSURANCE BROKERS

Gissing Sellon Breslin & Co Ltd

49 Queen Victoria Street, London EC4N 4SA. Tel. 01-248 0071

The City accountants insurance brokers

INTERNATIONAL REMOVALS

Stewart & Harvey Ltd

27-31 Whitehall, London SW1A 2BX. Tel. 01-839 5336 (Ring, write or call)

Household and personnel effects and luggage collected, packed and shipped world wide by bonded member of the British Association of Removers

OFFICE EQUIPMENT

Brightseen Ltd

145 Mollison Way, Edgware, Middx. Tel. 01-427 0788

Specialist supply of all types of equipment and consumables to Practitioners. Agencies with all major suppliers, discounts negotiable.

Savitt's Office Equipment Ltd

Head Office: 20 Brewer Street, London W1R 4DE

Branches: 61-63 Beak Street, London W1R 4JA. 186 Fleet Street, London EC4

Tel. 01-439 8331/7

Furniture—Stationery—Typewriters—Calculators

PAYE

Fastdata, JCS

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 9355

Specially designed service for Practitioners offering PAYE Services. Includes the 'normal' reports and additional schedules for financial accounts and monthly control.

new payroll service 01-237 2976

Arch 56 Millstream Road, London SE1 3NY

No setting up or run charges. Deposit only. Payslip 12p to 30p depending on complexity and size of payroll. Free stationery. Ask us for a quotation.

PENSIONS

Duncan C. Fraser & Co

24/28 Cheapside, London EC2V 6AB. Tel. 01-248 6981

and in Liverpool, Birmingham, Edinburgh, Manchester and Dublin.

Independent consulting actuaries with offices throughout the United Kingdom advising and acting for clients on all aspects of occupational pensions

PRIVATE INVESTIGATORS

Sapphire Investigations Bureau Ltd

Sapphire House, Long Stratton, Norwich NR15 2TH. Tel. Long Stratton (0508) 30324 and 30488

Norfolk and Suffolk. Professional Investigators, Security Consultants, Process Servers and Bailiffs

PUBLIC AFFAIRS

Gwynne Hart & Associates

418-422 Strand, London WC2R 0PL. Tel. 01-836 2843

Parliamentary, corporate and financial PR consultants in UK and EEC. Publishers of 'Prices and Fair Trade Practices Report'. 40 issue PA, £200

REMOVAL SERVICES

Vanguard Group

Head Office: Western Avenue, Hanger Lane, Greenford, Middx UB6 8DW. Tel. 01-998 8888. Telex. 935109

(Open 7 days a week)

Specialising in office, commercial and factory removals. Send for free brochure. Services throughout UK and Europe

SELECTION CONSULTANTS

Paul R. Ray International Inc

25 Old Burlington Street, London W1X 1LB. Tel. 01-439 6007. Telex. 299905

Executive search and selection

SECRETARIAL/BUSINESS SERVICES

Five to Nine Business Services

17 Wigmore Street, London W1H 9LA. Tel. 01-580 5816. Telex: 24637 WIGMOR G

Full Business Service inc. telex, typing, mail/telephone: offices for short-term hire; photocopying, translating etc

SMALL PRACTITIONERS ADVISORY SERVICE

Small Practitioners Computerised Services

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Based on our considerable experience, we can advise the Practitioner on how to cut through the morass of new technology to obtain higher profitability and greater efficiency.

STOCKBROKERS

John M. Douglas & Eykyn Bros

76 Cannon Street, London EC4N 6AE. Tel. 01-248 4277.

Members of the Stock Exchange, established 1852. Can offer facilities for the private and professional investor including valuations and probates.

Vivian Gray & Co

Ling House, 10-13 Dominion Street, London EC2M 2UX. Tel. 01-628 9311 (Established over 100 years)

Specialist areas: private clients and trusts. Free regular valuations and reviews. Personal partner supervision. Please contact Mr J. A. D. Skailes, FCA

Phillips & Drew

Stockbrokers, Lee House, London Wall, London EC2Y 5AP. Tel. 01-628 4444. Telex: 883236

Specialist areas: Advice on all types of UK and international portfolios, including those of private individuals. Contact C. G. Gooding, FCA

Henry Cooke, Lumsden & Co

Stockbrokers, P.O. Box 369, Arkwright House, Parsonage Gardens, Manchester M60 3AH. Tel. 061-834 2332. Telex. 667783 and London

Service include regular reviews, financial planning, pensions consultancy and corporate finance

SURVEYORS

Body Son & Fleury, Chartered Surveyors

57 Tufton Street, Westminster SW1, 22 Lockyer Street, Plymouth, 30 Milsom Street, Bath, 16 Southernhay West, Exeter

Valuation and rating surveyors, consultants to caravan and leisure industries

Bracegirdle & Brittain

Chartered Surveyors, 9 The Broadway, Woodford Green, Essex. Tel. 01-505 6311

Building surveys, fire insurance and reinstatement, schemes of alterations, improvement and repair, design of new building, dilapidations etc

James Barr & Son

Chartered Surveyors, 213 St Vincent Street, Glasgow. Tel. 041-248 3221

Specialist areas: Company assets and CCA valuations of industrial/commercial groups including machinery and plant. Fire insurance. Sales

SURVEYORS & ESTATE AGENCY

Stiles Horton Ledger

6 Pavilion Buildings, Brighton BN1 1EE. Tel. (0273) 21561 (and at Worthing, Hove, Eastbourne, Crawley)

Specialist areas: Industrial and Commercial valuation and Estate Agency, including valuation of Company assets for all purposes

TAX ASSESSMENT—COMPUTERISED

CTS Group

CTS House, Masons Avenue, Harrow, Middx HA3 5AH. Tel. 01-863 0111

Fully automated service to monitor tax payments due, and overdue accumulating interest. Register and payslips prepared fortnightly. Permanent tax schedules prepared

TELEPHONE ANSWERING MACHINES

C.R.V. Electronics Ltd

30 Goodge Street, London W1. Tel. 01-580 1800

Telephone Answering Machines for sale. Answers and records, plus dictation. Also new range of Automatic Dialler

TRAINING CONSULTANTS

Charterhouse Management Courses

40 Charterhouse Square, London EC1M 6EA. Course Registrar: Jean Slough. Tel. 01-606 0121/7

CPE-approved courses, financial and management training

TRANSLATORS

Falcon Translations

Imperial House, 15-19 Kingsway, London WC2B 6UU. Tel. 01-836 1840 and 01-836 1923

All languages — all deadlines

THE CITY TRAIL

by

C. Douglas Woodward

Chairman, City Heritage Society

‘ANYBODY coming to London and wishing to explore the City could hardly do better than buy a new guide to City walks called “The City Trail.” It only costs £1.25, is published by Gee and Co., of 151 Strand, London WC2 and is one of the most helpful guides on the subject I’ve seen.

With the book in hand you are led through all the most fascinating byways of the City of London. There are very clear local maps showing the route the trail takes and each of the main fascinating buildings on the route is photographed and is accompanied by all the sorts of detail the curious tourist wants to know.

Not only are dates, architects or builders and other historical facts listed, but the essential practical information, like hours of opening and whether an entrance fee is payable or not, is there, too.

Though the guide is obviously primarily directed at those who come to London as strangers, whether from the provinces or from abroad, I would be very surprised if there were many people who live in the city who couldn’t learn something from it.

Next time you can’t face taking a foreign guest to the Tower or Buckingham Palace for the umpteenth time, buy him this guide and head him in the direction of the City—it will be £1.25 well spent.”

Financial Times October 20th, 1979



GEE & CO (Publishers) LTD
151 Strand London WC2R 1JJ

Please send me one copy of
The City Trail at £1.25 plus 35p postage
and quote me for

supplying _____ copies in bulk.

Remittance enclosed £ _____

NAME _____

ADDRESS _____

Interpreting Company Reports and Accounts

by GEOFFREY HOLMES and
ALAN SUGDEN

Woodhead-Faulkner Ltd, £9.75

Geoffrey Holmes is well known as the editor of *Accountancy* and has written regularly (and extensively) about this subject; Alan Sugden is an investment analyst. Together they have written a book which sets out how interpretation of accounts is carried out, the basic rules whereby published accounts are formulated and the many ways in which truth can be revealed in the midst of what may be to many a difficult area, despite the encouragement of *The Accountant*/Stock Exchange awards and other projects in the field.

It is of course an irony that such a book should be necessary at all: company reports and accounts by their very nature are meant to inform their readers. Readers come in all shapes and sizes, but they have a common need, to understand the position of the company in which they are interested and to know whether it has been profitable and is likely to remain so. Shareholders tend to invest in success and want to be able to judge. While profits are one measure of success, positive cash flow is coming to be seen more and more as a reliable indicator.

In the meantime, profit and loss accounts must continue to be used as the best available measure, for balance sheets are capricious comparatives. They include disparate valuations and do not necessarily reflect the same point in the annual business cycle as other businesses, for stocks may be at high or low levels, purchases may be seasonal and so on.

For many, therefore, accounts continue to confuse, and the present work is likely to be full value. Not only students, but investors, directors, credit controllers and even (dare we say) accountants, should find great assistance and enlightenment. After an explanation of listing requirements, the individual elements of balance sheets, profits, tax-

tion, groups of companies, funds statements and inflation accounting principles are examined and there is a pro-forma of analysis sheets. The appendices cover SSAPs and EDs, present value tables and price indices.

This is a unique book – itself naturally a rarity – which will be found to take a workmanlike look at its subject and which contains many relevant illustrations.

Managerial Accounting*

Second edition

by RAY H. GARRISON

Business Publications, \$15.95

This book, subtitled 'Concepts for Planning Control and Decision Making', is designed for a course in managerial

accountancy. In it the company accountant is portrayed as a key participant in the basic functions of management. In this second edition, a lot of the material has been rewritten and some of it relocated.

After discussing the fundamentals of managerial accounting, succeeding chapters embrace the use of managerial accounting data (standard costs, flexible budgeting, inventory planning, contribution analysis, pricing decisions, investment decisions, quantitative decision techniques and the control of decentralised operations). The purpose of financial statement analysis is to assist users in predicting the future by means of comparison, evaluation, and trend analysis. The purpose of the statement on changes in financial position (one of the major statements prepared by business firms which can be focused either on changes in cash or on changes in working capital), is to show the sources and uses of working capital during an accounting period. These two purposes are linked together by the author in two chapters both headed 'How well am I doing?'

A study guide and instructors' manual are available.

Principles of Cost Accounting with Managerial Applications

by L. GAYLE RAYBURN
Richard Irwin, £13.25

The first 14 chapters of this book, by the Professor of Accountancy at Memphis State University, discuss cost accounting principles and concepts concerned with the collection of costs – an influencing factor as determining sales price. A special chapter is consequently devoted to the control of marketing cost. This is because the definition and measurement of marketing costs and functions have not advanced nearly as far as the definition and measurements of production costs. Several techniques are presented for effective marketing costs evaluation.

In the second half of the book, cost-volume-profit relationships are explored, the determinants of pricing are examined, the principles of budgeting are stated, responsibility accounting and internal reporting are discussed, the

importance of cost management and forecasting is emphasised, the philosophy of transfer pricing is presented and the planning and control tools that should be applied to achieve more efficient utilisation of plant are explained. A special chapter covers segmental analysis, in which are discussed the advantages and disadvantages of the various degrees of decentralisation and centralisation, especially for determining whether products or services are related and should therefore be grouped into segments and, if so, the various means of performance measurement that can be used in evaluating such segments.

The book is designed to fulfil a variety of student needs and especially to cover gaps in their knowledge so that they will be able to co-ordinate the activities of individual cost centres to meet overall company objectives.

Reviews

International Financial Management

Second edition

by RITA M. RODRIGUEZ and EUGENE CARTER

Prentice/Hall, £12.30

The objective of this book is first to scan the fields of corporate finance (which contributes the analytical concepts to manage funds of an enterprise) and of financial market theory, and secondly to select those tools which individuals working in the area of applied international finance will find useful, and then to illustrate their application in practice.

After commencing with the assessment of the external position of countries and the problems that firms encounter as a result in dealing with a diversity of currencies, the issue of international capital budgeting is discussed first in respect of problems relating to the determination of the relevant cash flows and

discount rate, and then as regards the motivation for foreign direct investment. The final part of the book deals with financial markets on two levels – the international capital markets that operate independently of national boundaries (the Euro-currency market, the international bond market) and the domestic capital markets (mainly the relatively well-developed financial markets in Europe, the United States and Japan).

Appendices dealing with comparative accounting practices, discounting, project risk evaluation and the Euro-dollar multiplier follow the appropriate chapters. The book succeeds in blending various disciplines, some of them traditional, in a framework of international corporate finance, skilfully mixing theory and practice.

cepts, and are either too general to facilitate use in operations or too specialised to be readily understood by major users. Designed for students of accounting, the book studies the accounting cycle using a manual system, to ensure the fullest understanding, before setting out a review of an information system based on accounting precepts but using computers.

Both students and teachers have such a wide choice available to them that every new book needs a particular examination to determine its special quality. This book is well-written and exceptionally well illustrated with examples of flow-chart techniques which are themselves becoming more greatly used for internal control as well as for programming computers. It is, however, in the latter area – ie, computerisation itself – that the book comes really into its own, and it is probable that the extent of guidance on this is unique in student accounting literature.

This is an excellent choice for college teachers in accounting needing a book on this particular aspect. The exercises are especially suitable for class discussion.

Accounting: A Management Approach

Sixth edition

by GORDON SHILLINGLAW, MYRON J. GORDON and JOSHUA RONEN

Richard D. Irwin, \$18.95

Part I of this book establishes the basic concepts and structure of accounting, explaining how accountants analyse business transactions to establish data from which statements of income, financial position, and changes in financial positions are derived. The problem of deciding when changes in economic value of a business should be recognised is discussed in a separate chapter.

Part II explores the accounting treatment of specific aspects of the company's position and performance (inventory costing, depreciation, inflation, capitalisation of costs, liabilities, shareholders' equity, changes in financial position and financial statement analysis). Accepted practice and authorised rulings are quoted whenever appropriate. Part III is headed 'Account-

ing Data for Management Planning and Control' in which is first examined the use of accounting data in various kinds of planning activities followed by an exploration of the bases on which the results of operations are measured and reported to management.

Accounting requires the use of judgment and analysis. This book helps the reader to identify the major choices the accountant must make, the factors influencing them, and the effects of such choices on the information the accountant provides.

Accounting and Information Systems

by JOHN PAGE and PAUL HOOPER

Prentice/Hall, £12.35

In the preface to this book the authors, both of whom graduated at Tulane University, claim that most textbooks in management accounting topics deal with management information systems without showing how they are developed to meet the need for information whilst still grounded in basic accounting con-

Introduction to Management Accounting

Fourth edition

by CHARLES T. HORNGREN

Prentice/Hall, £6.50

This is the fourth edition of a book that has been extensively used for the teaching of management accounting and is primarily written for students who have had one or two terms of basic accounting. It is divided into four parts the first of which focuses on decision-making and covers aspects such as the organisation of management information, cost-volume relationships, costs and costing, and defining relevant costs for different types of decision.

The second part looks at planning and control. Included are chapters on budgeting and standards, cost behaviour patterns, behavioural aspects of accounting and control systems, cost allocation, and profit centres and transfer pricing. The third part covers selected topics for further study such as capital budgeting, taxation, various costing systems and

Reviews

direct versus absorption costing and the use of quantitative techniques. The fourth part is devoted to basic accounting techniques and conventions and the understanding and analysis of corporate statements.

This is a well-accepted book and is useful both for accounting students and managers.

Framework of Accountancy

Second edition

C. C. MAGEE

Macdonald and Evans, £5

Now in its second edition, this introductory text by a renowned academic accountant is written primarily for first-year students preparing for their professional accountancy examinations or for those who are studying on higher level BEC or accountancy degree courses.

The author approaches his task by first defining the objectives of accountancy and relating it to its primary function of reporting on business activity. Subsequent chapters deal with the familiar territory of the double-entry book-keeping system and take the student through the essential elements of partnership and limited company accounts.

The combination of a background briefing in the underlying theory and a steady progression in the coverage of basic accounting techniques provides the student with a reliable guide through the foothills of accountancy and points the way to acquiring a deeper understanding of what it is all about.

Accounting Principles

by ROBERT N. ANTHONY and JAMES S. REECE

Richard D. Irwin, *Text only, fourth edition* £11.15 *Text and cases, sixth edition* £12.50

This book was first published in 1956 under the title of 'Management Accounting Principles' at a time when management accounting meant any accounting that was of interest to management. The new title reflects that the book encompasses both financial accounting

and management accounting (principally now restricted to the internal uses of accounting).

Part I, on financial accounting, has been expanded to introduce financial ratios, and diagrams have been included to reinforce and summarise textual material. Part II, on management accounting, is organised according to three basic cost constructions – full costs, differential costs and responsibility costs. A very useful summary in the last chapter explains the different ways of categorising cost used in the book – admitted by the author not to be all-inclusive. No questions or problem material are included, as there is a companion volume 'Accounting Principles Workbook'.

The book is written for a person who wants to understand accounting in order to use such information, and consequently requires some knowledge of accounting techniques in order to appreciate the meaning of accounting reports.

Understand Your Accounts

by A. St. J. PRICE.

Kogan Page, £1.50 p/b, £4.50 h/b

This paperback is an excellent example of the growing number of simple explanatory books on accounting theory and method available today. Written by a lecturer who knows the needs of students, it is also a book to recommend,

at virtually a 'petty cash' price, to clients who could benefit from such an understanding, or for bank managers to suggest to their customers as 'required reading'.

It is in fact part of the second edition of a larger book by the author, *Profit from Figures – Financial Control for Non-Accountants*. Apart from the merits of a smaller size and format, it has a natural completeness and is perhaps less daunting to the newcomer, be he student or businessman. The text is straightforward, and the examples and exercises both relevant and interesting.

Understanding Accounts

by F. A. J. COULDERY

Gee & Co, £3.50

Mr Couldery has an impressive experience as a lecturer in accounting subjects, and some good books to his credit. He also understands students and so is able to communicate his thoughts well and to write very much as a lecturer talks, thus presenting to any student an introduction which he should find easy to absorb.

The book is published in the series of Gee's Study Books and both this and the series as a whole are to be commended for their particular relevance. Mr Couldery's book covers each section (balance sheet, capital v revenue, depreciation and so on) on the basis of explaining *why*, not merely stating *what*. That is an excellent way to deal with this

The Wealth Report

edited by FRANK FIELD

Routledge & Kegan Paul, £6.95

With the Royal Commission on the Distribution of Wealth and Income generating a whole series of reports and research papers, plus the numerous studies on this subject during the past decade, it seems surprising that there is anything new left to say on a controversial subject. Given the facts (and these are not quite as substantial as might be inferred from the writings on this topic) the conclusions inevitably stem from the author's value judgements of what is right and proper.

In this collection of essays the nine authors, many of whom have been working for the Low Pay Unit and others who have researched into the field of wealth and income distribution, provide a series of what may be regarded as distillations of their findings. Some of the essays, in particular the views of the General Secretary of the IRSF on tax avoidance, will interest accountant readers, just as will the essay by Alan Harrison, who prepared a background paper for the Diamond Commission, on recent changes in personal wealth distribution.

Reviews

subject, for accounts are not just book-keeping and good accountants are more than good book-keepers.

The book is in the same style as others in the series, compact enough to take not too much space in a student's briefcase, yet with some specimen questions (and answers), so as to make it a good revision book.

Accounting Standards Study Book

Second edition

by F. A. J. COULDERY

Gee & Co, £2.50

Now in its second edition, this book is a valuable study aid for students who are coming to grips with accounting standards in the course of their examination preparation. It obviously fulfils a need for clear guidance on an increasingly complex subject.

Dealing with SSAPs 1 to 15, the author examines their basic objectives and requirements in clear terms that strip much of the obscurity from the text in the standards themselves. The section dealing with SSAP 15 – deferred taxation – is a particularly good example of his ability to simplify the subject, and even those who have long since left their examinations behind them might find it a distinct improvement on the turgid prose beloved of some ASC draftsmen.

The CPA and Computer Fraud

by CHARLES R. WAGNER

Lexington Books, £10.50

Having first provided a foundation for a comparison of manual and computerised accounting systems, the author proceeds to examine various perspectives of fraud in order to derive a suitable definition for computer fraud. He then explores the vulnerability of computer systems in terms of the methodology of computer fraud, the more important categories being manipulation, the fraudulent handling of accounts and transactions (similar to those used in manual systems) and unauthorised or inappropriate use of facilities and supplies. Limitation of

information available and paucity of research on computer fraud is discussed; this presents the auditor with some serious problems in coping with EDP systems. A separate chapter attempts to define a model to determine an index of auditors' exposure to computer fraud.

The author concludes that computer fraud data are fragmentary and not always published, that incidence of this type of dishonesty is rising in frequency and amount, that internal control systems often do not provide preventative barriers, that the lack of auditor involvement in detection conflicts with the public's view of audit objectives, and that consequently, the auditor may be in danger of losing his long-held specialist status. He makes recommendations that would ensure a complete computer fraud data base, classified to meet users' needs, which could be used to identify weaknesses in internal controls so that management and auditors could evolve

systems that would be more difficult to penetrate.

The book is very well referenced with an extensive bibliography.

Viewdata: A Public Information Utility

by DR ADRIAN V. STOKES

Input Two-nine, £9.95

I cannot say that I learned anything from this book although that may be because I have followed the inception of Viewdata. It is a little difficult to see who the potential readers are. Viewdata is a major development in communications with many possibilities, yet on reading this book one gets the impression that the whole concept is as dull as ditch-water. This is probably due to the dry academic style in which the book is written and to stating the obvious

Computer Fraud and Counter-Measures

by LEONARD I. KRAUSS and AILEEN MACGAHAN
Prentice-Hall, £18.55

After exploring the various ways in which computer fraud has been carried out, subsequent chapters cover the specifics of preventing, detecting and deterring fraud and discuss counter-measures in the form of policies, controls and techniques. Further chapters explore special forms of insurance (covering fraudulent and dishonest acts by employees), legal aspects of computer fraud (sometimes raising complex issues which should be known about in order to protect the interests of the company), and investigative methods to enable a company to act promptly on its own behalf where there are suspicious situations, in order to minimise continuing losses.

Finally, all the previous chapters are tied together to form a multi-disciplinary approach to a prevention programme. In

doing so, the costs and benefits of counter-measures are assessed and the successful implementation of the approach is discussed with special emphasis on the overcoming of hurdles in the arena of human factors. The appendices, drawn from various sources, contain evaluation tables for the application of controls, computer abuse controls, advanced systems controls, information processing facility controls, systems development controls and an illustrative procedures manual.

The book is addressed to business executives, financial and administrative officers, computer managers, auditors and security supervisors. It offers practical guidelines, detailed methods and techniques for dealing with computer fraud risks that one should expect – thefts of money, merchandise, negotiable securities, data, software, and also data misrepresentations which result in financial, personal or political advantage.

Reviews

whenever the question of usage arises.

One thing that struck the reviewer is that while the amount of information which can be made available via the Post Office Viewdata system is virtually unlimited, compared to at most a few hundred pages via the TV broadcast system, where the information is carried on the back of the normal programme, it is not easy to find applications where Viewdata has is that it is interactive, ie the user can respond using a simple systems. The one advantage which Viewdata has is that it is interactive, i.e. the user can respond using a simple keypad. The Post Office seems to be so obsessed with flooding us with unnecessary information that little if any use is at present planned for the interactive facility. This is a sound enough book on Viewdata but I found it heavy going.

Graduate Careers in Accountancy Finance and Law

The New Opportunity Press, £1.75

Part I of this book deals with careers in (i) accountancy as offered by the six UK recognised bodies and in industry and commerce (ii) banking with the clearing banks, international banks, merchant banks, the Bank of England, insurance and the Stock Exchange, and (iii) law as barristers or solicitors.

Part II consists of an employers reference section constituting a directory of employers offering careers to graduates and gives information such as the organisation's main activities, location, training facilities, salary offered, graduate requirements and an address for applications.

Part III describes the service called 'Careerdata' introduced by the New Opportunity Press to provide within the British Post Offices 'Prestel' computer facility an on-line source of vacancy information for graduates. Such a large store of information potentially available at the end of every domestic telephone line should lead to a revolution in communication over the next few years.

This modestly-priced booklet should be available to all graduates who are seeking a career in the disciplines of accountancy, finance or law.

New Books

BRITAIN'S TOP 1,000 FOREIGN OWNED COMPANIES 1979, a Jordan Survey, xiv + 75 pp. Jordan & Sons, £15.

BUSINESS LAW, by P. Singh, 236 pp. Gee & Co, £4.95.

BUTTERWORTH'S ORANGE TAX HANDBOOK 1979-80, fourth edition, edited by Moiz Sadikali, 1196 pp. Butterworths, £9.50.

*CHARITABLE GIVING AND TAXATION, eighth edition, by Charitable Giving and Taxation Consultants, 94 pp. Craigmyle & Co Ltd, The Grove, Harpenden, Herts AL5 1AH, £3.50 inc p.

COMPANY LAW STUDY BOOK, by T. Martyn, 63 pp. Gee Co, £2.50.

THE COMPLETE BOOK OF ORGANISING SOCIAL AND BUSINESS FUNCTIONS, by Stuart Turner, 117 pp. Foulis/Haynes, £4.95.

COMPUTERS IN MANAGEMENT AND BUSINESS STUDIES, second edition, by Harold Lucas, xiii + 272 pp. Macdonald & Evans, £4.50.

CONTRACT, by Denis Keenan, vii + 211 pp. Anderson Keenan Publishing, £2.50.

CONTRACT OF EMPLOYMENT, by Denis Keenan, vii + 111 pp. Anderson Keenan Publishing, £1.75.

CORPORATION TAX, fourth edition, by B. S. Topple, 192 pp. M. & E. Handbooks, £2.75.

DATA PROCESSING, fourth edition, by E. C. Oliver and R. J. Chapman, vii + 303 pp. DP Publications, £3.75.

A DICTIONARY OF BANKING, by E. E. Perry, 293 pp. Macdonald & Evans, £6.50.

*ESTIMATING CURRENT VALUES: Some Techniques, Problems and Experiences, A Task Force Report, vii + 48 pp. CICA, 250 Bloor Street East, Toronto, Canada M4W 1G5, \$6.00.

*FILING, RETRIEVAL AND CONTROL SYSTEMS, by A. D. Smith, 80 pp. Business Equipment Trade Association, 109 Kingsway, London WC2B 6PU, £4.

FINANCIAL ASSISTANCE FOR INDUSTRY AND COMMERCE IN THE UNITED KINGDOM, by Peat, Marwick, Mitchell & Co, 96 pp. ICAEW, £3.95.

FINANCIAL AND COST ACCOUNTING FOR MANAGEMENT, seventh edition, by A. H. Taylor and H. Shearing, ix + 371 pp. Macdonald & Evans, £3.95.

FOREIGN EXCHANGE AND THE CORPORATE TREASURER, second edition, by John Heywood, vii + 159 pp. Adam & Charles Black, £7.50.

THE GOOD JOB GUIDE 1980, fourth edition, *The Daily Telegraph* Guide to Employment Opportunities and Key Employers, 584 pp. New Opportunity Press/*The Daily Telegraph*, £2.50 p/b, £6.50 h/b.

GUIDE TO SOUND INVESTMENT, fourth edition, by W. Fraser Elgin, v + 55 pp. Jordan & Sons, £3.

THE HAMBRO TAX GUIDE 1979-80, by A. S. Silke and W. I. Sinclair, Consulting editor: Professor G. S. A. Wheatcroft, 257 pp. Macdonald & Janes, £5.95.

HOTEL ACCOUNTING, fourth edition, by Ernest B. Horwath, Louis Toth and John D. Lesure, vi + 424 pp. John Wiley & Sons, £10.95.

INTERPRETING COMPANY REPORTS AND ACCOUNTS, by Geoffrey Holmes and Alan Sugden, vi + 202 pp. Woodhead-Faulkner, £9.75.

KEY TO PRINCIPLES OF COST ACCOUNTING, second edition, by C. J. Walker, v + 208 pp. Macdonald & Evans, £3.50.

THE LAW OF BANKERS' COMMERCIAL CREDITS, sixth edition, by H. C. Gutteridge and Maurice Megrah, xxxiii + 318 pp. Europa Publications, £9.

These titles (other than those marked *) may be obtained from or through Gee's bookshop.

Circle titles required, fill in the order form and return it, with your remittance, to Gee's bookshop at the address below. Please add 15 per cent to the cover price of each title ordered to cover postage and packing.

If more than one copy of a title is required, write the number to be sent against the circle.

ORDER FORM

Please send the title(s) circled (one copy of each unless otherwise indicated) to the address below. A remittance for is enclosed.

Name

Company

Address

.....

.....



The professional bookshop

151 Strand
London WC2
01-836 0832



Retention of Title by the Unpaid Vendor

by JOHN GULLICK, MA, ACIS, Solicitor

Romalpa is now a familiar name (*Aluminium Industrie BV v. Romalpa Ltd* (1976)).¹ The principle of the decision is also generally understood, ie, it is possible to deliver goods under a contract of sale to the possession of the buyer and yet reserve to the supplier the ownership of the goods until the price is paid. If the relevant clause is skilfully drafted the supplier can also have an effective claim both to any money received on re-sale by the original buyer and to the value of his goods when incorporated in the buyer's product.

The accountancy profession has come to terms with the Romalpa principle by ruling that 'the commercial substance of the transaction should take precedence over its legal form where they conflict', ie, in the accounts of the buyer the goods should be treated as if he already owned them (with liability for the unpaid price included in the total of 'Trade Creditors') because a company which is on a going concern basis will become the owner of the goods in the ordinary course of paying its outstanding trade debts.

This approach is analogous to the long-established practice of treating goods in the course of acquisition under hire-purchase as if they had already become the property of the hirer — since eventually they will be.

Competing creditors

As so often a major decision in the courts, such as *Romalpa* undoubtedly was, raises as many incidental problems as it resolves. *Romalpa* is an encounter in the long-running battle between competing creditors of an insolvent concern. If the debtor is a company its bank obtains a floating charge over its assets

before granting an overdraft and thus it gets a claim over the assets, when the crash comes, in priority to the trade creditors who supplied the raw material stocks but have not yet been paid for them. But the trade supplier can defeat the bank's charge, which only covers assets which are the property of the company, by ensuring that until he has been paid the goods which he has supplied remain his property.

Tracing the goods

Not every attempt at this device succeeds. In a more recent case (*Re Bond Worth Ltd* (1979))² the supplier expressed his rights in terms of retention of the 'equitable and beneficial' ownership of the goods supplied. This terminology of trust law implies that the legal ownership of the goods has passed to the buyer — and the court reached that conclusion (all the more so as the contract also provided that the risk of loss or damage which is generally incidental to legal ownership, should pass to the buyer). Moreover the claim to 'beneficial ownership' did not encumber the goods, and so prevent their use or re-sale by the buyer, until the supplier chose to assert it. In that form the supplier's claim has all the characteristics of a floating charge requiring registration under the Companies Act 1948, section 95. It had not been registered and so it was void.

No doubt the lawyers will in future choose their words with more care. In *Romalpa* itself, where the supplier's claim was upheld, a Dutch company used very inelegant English ('the ownership of the material will only be transferred to the purchaser when he has met all that is owing to the vendor') — but it worked.

Apart from technicalities of wording there are other and more practical

difficulties. It is easy enough to identify or 'trace' the goods or their value when the buyer merely re-sells them in their original form; for example, when mechanical components are simply fitted into the buyer's product in the course of manufacture. But the principle can be applied — though with more difficulty (*Borden (UK) Ltd v. Scottish Timber Products Ltd* (1978) — see 'Current Law', *The Accountant*, January 11th, 1979 — even where resin has lost its identity and simply become 17 per cent of the value of chipboard manufactured from resin and other raw materials.

The supplier must accord to the buyer the power to use and/or to sell his goods — otherwise the whole commercial object of the transaction between them is defeated. But in what capacity does the buyer sell goods which do not belong to him?

Sale by a non-owner in various circumstances is well-recognised by the Sale of Goods Act 1893. But the supplier would do well to ensure that the buyer is not his agent in any re-sale. If there were an agency the supplier could be liable for any breach of warranty given by the buyer in selling his own product.

Insurable interest

We have seen that in *Bond Worth* the risk of loss or damage passed to the buyer on delivery of the goods although he was not the owner 'beneficially' at that stage. There is no inherent objection to this stipulation being made in a properly expressed sale of goods subject to retention of title. Both parties then have an insurable interest, the supplier as owner and the buyer as the bailee in possession. But to avoid the unnecessary expense of double insurance they should agree on which of them will take out the insurance.

Should the supplier seek to buttress his position by insisting that goods which are still his are to be identified — by labelling or by separate storage on the buyer's premises? If the buyer is an individual, to whom the reputed ownership rule (goods in the debtor's possession are presumed to belong to him) applies in bankruptcy, the seller needs to do this in order to safeguard himself. In laying claim to any money

¹ *The Accountant*, February 26th, 1976.

² *The Accountant*, April 12th, 1979.

Current Law

received by the buyer on re-sale should the supplier require him to pay it into a separate bank account? This procedure gets round the very complex rules which apply when money of different persons is mixed in the same bank account. In the *Romalpa* case the receiver did as a matter of prudence follow that procedure.

Romalpa aftermath

What effect will the rapidly extending use of the *Romalpa* formula in British commerce and industry have on the attitude of the banks to lending on the security of a floating charge? Will they prohibit the borrower from buying goods on *Romalpa* terms (this is hardly practicable)? Alternatively, the banks might demand a much higher ratio of security (goods pledged) to money lent. (Sharing the assets of an insolvent trader is a zero sum game; if there is a winner there has also to be a loser.)

In following the precept that 'commercial substance is paramount, the auditor may be giving an unqualified

report to accounts which do not reflect the true legal position as regards ownership of stocks. How much should he require to be disclosed by way of note to the accounts to keep himself clear of liability for negligence under the notorious rule in *Hedley Byrne v. Heller* ([1963] 2 All ER 575)?

The aftermath of the *Romalpa* decision is like the ever-widening ripples on the surface of a pond created by throwing in a single pebble. It affects so many things. It will surely be necessary to have a statutory formulation of (i) the form and conditions of a *Romalpa*-type clause and (ii) a procedure for registration of major transactions (of companies) on these terms so that a search of the file at the Companies Registry will disclose the position.

It could, of course, just be added to section 95 as one of the types of 'charge' to be registered. But *Romalpa* came from the Continent, where it is almost standard form for a commercial sale of goods, and the UK will have to conform to whatever the EEC policy may prove to be.

bank should recover the money, the consequences would have been not only that this dispute would not have been ventilated and resolved on its merits, but also that there would have been a windfall for the preferred creditors at the bank's expense.

Barclays Bank Ltd v. Simms and another ([1979] 3 All ER 522).

Appropriation of the Matrimonial Home

A husband died intestate, leaving a widow who at the time of his death was residing in the matrimonial home. The house formed part of the residuary estate of the intestate, but it was worth about £12,000 while the absolute interest of the widow in the estate was only £8,750.

The widow wanted the house transferred to her and was willing to pay the difference. She asked the personal representatives to exercise their power of appropriation conferred by section 41 of the Administration of Estates Act 1925 ('the 1925 Act') to appropriate the house 'in or towards satisfaction' of her interest in the estate pursuant to paragraph 1 (1) of Schedule 2 to the Intestates' Estates Act 1952 ('the 1952 Act').

Section 41 of the 1925 Act empowers personal representatives to appropriate property of the deceased 'in or towards satisfaction of any legacy, bequeathed by the deceased' as to them may seem just and reasonable. Schedule 2 of the 1952 Act applies only to the personal representatives of an intestate and aims to enable his surviving spouse to acquire the matrimonial home. Paragraph 1 (1) provides that where the estate of the intestate comprised the matrimonial home, the surviving spouse may require the personal representatives to exercise their section 41 power and appropriate the home 'in or towards satisfaction of any absolute interest of the surviving spouse' in the estate.

At first instance, the judge found that the widow could not require the personal representatives to appropriate the matrimonial home under paragraph 1 (1) of the 1952 Act; she had such a right only if the value of her absolute interest was equal to, or exceeded, the value of the house. The expression 'in or towards satisfaction' did not contemplate that the

Stop Order Disregarded

As a general rule, money paid under a mistake of fact may be recovered provided that there are no grounds to infer that the payee was intended to have the money in all events; or that the payment was made for good consideration or to discharge a debt; or that the payee has not meanwhile changed his own position in good faith.

In the present case, customers of the plaintiff bank drew a substantial cheque in favour of another company. At all material times there were sufficient funds to meet the cheque. Shortly after issuing the cheque, the drawer learned that the payee company had been placed in receivership, and immediately countermanded payment of the cheque. The bank, however, overlooked the 'stop' order, so that the cheque was paid to the receiver of the payee company.

On discovering the mistake, the bank sought to recover the amount of the cheque from the receiver. It was common ground in any event that the payee company was insolvent and that there was likely to be a substantial

deficiency as affecting the secured creditor (another bank) by whom the receiver had been appointed.

In the Queen's Bench Division, Robert Goff J reviewed the authorities at some length, and concluded that the plaintiff bank was entitled to the return of the money as against the receiver. Payment of the cheque was due to the bank's mistake in overlooking the drawer's instruction to stop payment; further, since payment had in fact been countermanded, the bank was acting without mandate, so that the payment was ineffective to discharge the drawer's obligation; from this it followed that there was no consideration for the payment. Nor was there any evidence of change of position on the part either of the defendant or of the secured creditor.

The real dispute which should properly have been ventilated, his lordship added, was whether in the circumstances which had arisen the drawer was entitled to stop payment of the cheque. Had the Court not been able to reach the conclusion that the plaintiff

Current Law

satisfaction would be in excess of the absolute interest.

This decision was reversed by the Court of Appeal. The judge had interpreted paragraph 1 (1) correctly, but had failed to consider the effect of paragraph 5 (2) of Schedule 2 to the 1952 Act. Paragraph 5 (2) provides that the section 41 power of appropriation shall include the power to appropriate an interest in the matrimonial home, partly in satisfaction of an interest of the surviving spouse in the estate of the intestate, and partly in return for a payment by the surviving spouse to the personal representatives.

The effect of this provision is that for the purposes of Schedule 2 of the 1952 Act, a transaction which is in essence partly an appropriation and partly a sale, becomes a hybrid appropriation. Where the value of the matrimonial home exceeds the value of the interest of the surviving spouse, the personal representatives may be required to appropriate the home partly in satisfaction of the interest, and partly in return for money.

Paragraph 5 (2) does not merely confer a new power on personal rep-

resentatives; it directs that the existing power of appropriation under section 41 of the 1925 Act should be extended to enable a surviving spouse of an intestate to acquire the matrimonial home. It was unfortunate that the draftsman did not state his purpose unequivocally, but left it to be unearthed by necessary implication.

It was incorrect to argue that paragraph 5 (2) merely extended the statutory right of personal representatives under section 41 of the 1925 Act, and did not extend the right of the surviving spouse to require an appropriation. The aim of Schedule 2 of the 1952 Act was to enable the surviving spouse to acquire the matrimonial home; the mere extension of the existing powers of appropriation of personal representatives without enabling the spouse to require exercise of such powers would not achieve this. Further, the personal representatives could in any case have achieved the objective of paragraph 5 (2) by their powers of sale under section 33 of the 1925 Act without resorting to their powers of appropriation.

Re Phelps ([1979] 3 All ER 373).

In other cases, sleeping at work should not normally lead to dismissal on a first offence. It would provide the opportunity of issuing a grave warning that any repetition or other misconduct could lead to a dismissal.

What Compensation?

An employer faced with a claim for unfair dismissal may be concerned about the extent of his liability if he contests the case before a tribunal and loses. Although the maximum compensation can run into several thousands of pounds, sums of this magnitude are usually awarded only to long service employees who have been dismissed and will have difficulty in finding alternative employment for many months.

Apart from a basic award which, in the case of an employee unfairly dismissed, is equivalent to the redundancy payment scale (with a minimum of two weeks' pay) the really big money can arise from what is known as a 'compensatory award'. But figures issued by the Department of Employ-

ment show that, in 1977, more than half of the awards given were less than £400 and only a small proportion ran into £1,000 or more. It is worth noting that, in a five-year period, a small business concern is likely to have a one in 20 chance of being the object of a claim for unfair dismissal.

Before a case comes to a tribunal, a conciliation officer attempts to settle the matter by mediation between employer and employee. In making a judgment as to whether to settle or not, the above information might be borne in mind. The important factor in determining whether or not to settle without the necessity of going to a tribunal hearing is to make an honest assessment of one's fairness in the particular case, coupled with consideration of the actual cost of a tribunal hearing in terms of absence of witnesses from work.

Secret Will Trusts

In making his will, the testator may strike a bargain with a person to whom he leaves money or property so that the latter takes his gift not for himself but as trustee for another. If there is nothing at all in the will to disclose this arrangement, it is a fully secret will trust; it is in effect not part of the dispositions of the will, but is grafted on to it.

If the legatee agrees to it in the testator's lifetime, he is usually bound to carry out the trust at the testator's death. But this is so only if the trust imposed on the legatee is sufficiently certain in its terms to satisfy the normal requirements of definition of a trust; if it does not do so, the trust fails and the legatee takes the gift for himself.

The present case involved a will made by a testatrix on her death-bed in hospital within six days of her death. She was in no state to give detailed instructions and so she left the residue of her estate to her brother 'to see to everybody and look after the division for her'. This expression of her intentions was obviously far from precise. The Court held that the brother took the gift without any obligations as a trustee. It was a matter of family confidence and probity, and his sister had left him her estate on that basis only.

Re Snowden, deceased ([1979] 2 All ER 172).

Sleeping at Work

Much comment has been made on the case of a worker who was dismissed for sleeping at his place of work, and receiving £7,000 for unfair dismissal. However, there were special circumstances in this case — as, for instance, that the individual had finished his work stint, and the fact that it seemed to be custom and practice for some workers to relax after finishing their quota. The award was high because the Tribunal also made an order for the employee to be reinstated, and this the firm concerned refused to do.

There have been other industrial tribunal decisions which limit the effect of the above decision. First, if an employee sleeps on duty and, as a result, the safety of the plant or of other employees is affected, then it would probably be fair to dismiss immediately. The same would go for security staff where there was a probability of theft taking place. The only defence would be if the employee could show that he became unconscious, e.g. through illness.

Accounting for Inflation

This book has been written to meet the need for a short, reasonably priced study book to cover the examination requirements on accounting for inflation and price level changes.

The author, E. R. Farmer, MSc, FCCA, AMBIM, deals simply and lucidly with the post-war developments in inflation accounting, the limitations of historic cost accounting and possible solutions to the problem, and compares the use of historic cost accounting, current purchasing power accounting (CPP) and current cost accounting (CCA). The concepts of CPP and CCA are described and illustrated, and the Hyde Guidelines are set out with examples.

**To: GEE & CO (PUBLISHERS) LTD,
151 STRAND, LONDON WC2R 1JJ.**

Please send copy/copies of
Accounting for Inflation and Price Level Changes
at £2.00 plus 30p postage (airmail £1.25).

Remittance enclosed £.

Name

Address

A

Practical Auditing

16th edition

R. S. Waldron

FCA, FCCA, CPA, FRSA

'Provides a more thorough coverage of practical auditing procedures. This text is essentially a practical guide'—*Certified Accountants Students' Newsletter*.

'It is a most useful work which should be in the hands of all students and on the bookshelves of all practitioners'—*The Accountant*.

£7.00

HFL (Publishers) Ltd

9 Bow Street, Covent Garden, London WC2E 7AL

Tel 01-836 9081

The professional bookshop



**151 Strand London WC2R 1JJ
01-836 0832**

Gee's bookshop is Britain's largest specialist stockist of accountancy books. Over 1,500 titles in stock. Any accountancy title obtained on request.

Personal advice available from experienced staff. Delivery by post to any destination.

Past History, Futures Gain

Organised futures markets in London grew out of the trade in agricultural commodities and, out of organised futures markets, grew the International Commodities Clearing Houses. Not that the evolution is new.

ICCH has been providing futures markets in London with clearing and guaranteeing services since its formation as The London Produce Clearing House in 1888. Sugar and coffee were the first two commodities to use the company's clearing service and the third, the cocoa trade, did not follow until the London cocoa market was opened in 1928.

Now ICCH provides its full service of registering and clearing swiftly and efficiently thousands of contracts a day to the London Commodity Exchange Company, the London Terminal Market Associations in Cocoa, Coffee, Sugar, Vegetable Oil, Wool and Soyabean Meal.

The London Produce Clearing House changed its name to International Commodities Clearing House in 1973 to match the increasing international nature of its business. That is reflected in the growing membership of overseas companies and expansion of clearing services into Sydney, Paris and Hong Kong.

ICCH has lately produced a brochure describing how the House contributes to the efficient functioning of futures markets by fulfilling the needs of buyers and sellers for the registering of contracts and their swift and efficient clearing.

Transfer of risk

Futures markets provide a method of insurance against the violent fluctuations which often occur in commodity prices and which can cause heavy financial loss for buyers or sellers. As the ICCH brochure explains, a manufacturer wants to buy supplies of raw material at a fixed price in the foreseeable future while the overseas grower seeks an assured market price for his produce several months ahead when the crop is harvested. In between the international dealer can protect himself against adverse price

movements between the purchaser of the commodity from the producer and sale to the consumer.

Manufacturers and growers, merchants and dealers, can thus hedge their purchase or sale contracts by using the facilities of the futures markets. These provide a mechanism by which risk can be transferred to others willing to bear it.

To achieve this transfer of risk highly standardised futures contracts have been created which provide for delivery of a specified grade and quality (or 'lot') of commodity in a given month. Futures

contracts can be bought and sold to counterbalance the trader's physical position. This is known as 'hedging'. Normally the futures contract is not used to achieve delivery.

The 'hedge' will be lifted by entering into a offsetting sale or purchase of futures contracts when the trader is no longer exposed to risk.

Price discovery

A further important function of futures markets is price discovery. Prices are determined by the free interplay of opinion and are extensively used as a yardstick in negotiating physical contracts. Over the past century growing recognition of the value of futures market has led to their increasing use by all concerned in the commodity trade.

Plight of Troth

Accountants charged as directors or advisers to companies with the responsibility of deciding when the time is right to make a statement to the Stock Exchange and to shareholders will no doubt have smirked, if not chuckled, at the sight of egg on the faces of the partners of stockbrokers J. & A. Scrimgeour and Grieveson Grant.

Two weeks after the two firms had announced merger intentions, and had even gone to the lengths of holding a press conference to impress upon the financial scribes the benefits which would surely stem from the new alliance, they had to report that there was not to be any alliance after all. The marriage was off, and presumably Scrimgeour and Grieveson Grant remain, at best, good friends and keen competitors.

The original engagement was announced after three months of courtship or 'exploratory discussions'. There were brave words about 'looking forward to the 1980s not so much from survival but from leading the way' with the biggest stockbroking merger of all.

But the three months of exploratory discussions must have been exploratory indeed, since the reasons given for the failure of the intended merger appear to be fundamental. One was a different approach to equity research within a

realisation that the two firms' methods of operation 'were very different'.

Mr Richard Allen of Scrimgeour is quoted as saying 'We hadn't gauged the feeling lower down. It is not that easy to merge if you cannot convince everybody that it is a cracking good idea.'

It looks as though the commanding officers were fully convinced it was a 'cracking good idea', but among the lower echelons of the officers – to say nothing of the NCOs and troops – the view appears to have been 'crackpot' rather than 'cracking'.

This, of course, is not the first stockbroking merger engagement to be broken off, but rarely has the engagement itself been announced with such a flourish of trumpets and assumptions of success.

At least the exercise might remind stockbrokers, and the Stock Exchange in its institutional capacity, that the timing of the announcement of mergers and other price-sensitive information is not so simple as the Stock Exchange's demands sometimes suggest.

Possibly, if a company is in future hauled over the Stock Exchange coals for tardy announcement of merger intentions, a useful defence could be 'We were trying to avoid a Scrimgeour-Grieveson Grant situation.'

A key feature in the success of futures

Financial Accountant

markets is the role of the clearing house in providing certainty and ease of trading. The brochure states that "The ICCH guarantee of performance to its members gives complete confidence that contracts will be fulfilled. It also entails the clearing and settlement system to operate which provides complete exchangeability between contracts and extreme flexibility in trading.

Commodity dealings are now intensively computerised. The ICCH computer system 'INTERCOM' is a 'real time' system employing, in London, twin computers from IBM's 370 range. Information is 'input' direct from market floors through computer terminals providing both ICCH and its Members with a virtually instant record of trading as it proceeds.

The record can be recalled through visual display units linked to the computer, Members can be provided in addition with computer produced print-outs.

Future of futures

As the future of futures it is the ICCH philosophy to support and stimulate growth in commodity exchanges and the futures contracts traded on them. In the fast changing world of futures trading it is impossible to be precise but ICCH expects to develop in five broad areas:

- Increasingly effective systems to support existing futures markets
- Assisting the introduction of new futures contracts in existing markets in London and overseas.
- Expansion into future markets overseas, based on an independent guarantee, backed by highly effective methods of registration and clearing.
- Development of an international clearing system for worldwide commodity futures trading.

The introduction of new futures contracts could involve applying the techniques well proven in agricultural products and metals to other trading instruments.

It is not beyond the bounds of possibility that ICCH could move into futures markets in financial instruments – foreign currencies and securities. There are futures markets in a range of financial contracts on the International Monetary Market in Chicago which is now a division of the Chicago Mercantile Exchange.

With a far more sophisticated money market in London and the unique London gilt edge market, there may possibly not be the same scope for futures here as there is in Chicago, which, it has to be agreed, spawns new markets at an impressive rate.

But a futures market between the Discount Market and the Gilt edge market would have room for manoeuvre quite apart from room for turnover. Such a market may not be an immediate prospect for ICCH in London but it is a prospect nonetheless.

'Lot of It About'

In virtually all financial markets there is at present a lot of caution about. Almost every review of 1979 and preview of 1980 has 'caution' written in the first paragraph, or failing that, in the last.

There is much harking back to 1973 and 1974, albeit with healthy reservations. The property industry collapsed five and six years ago because it was speculatively developed with speculative money. It was not uncommon for a property developer to double the role of banker, lending to himself 110 per cent of his own valuation of the property in which his true equity stake was at best minor and at worst tenuous.

Even in the most conservative of property circles the financial position five and six years ago was not exactly robust. But now, as surveyors Edward Erdman and Company point out in their annual survey, the banking and property sectors are not nearly so heavily involved, and many development schemes are underwritten by pension funds and institutions before they are started.

'Nevertheless, some of the lessons of the past have not been remembered', the survey insists. The effects of the most recent Government measure will be many and varied. For example, one of the immediate consequences of the exceptionally high interest rates available in the gilt-edged market is the likelihood that it will tempt a number of investors away from property.

Doubts and alternatives

The credit squeeze will affect retailers and industrialists alike, creating doubt as to corporate profitability in addition to curtailing planned expansion programmes, both of which carry the prospect of slowing down rental growth in shops, offices, 'industrials' and warehouses, although it is thought unlikely that the

enforced release of accommodation which took place in 1973–74 will be repeated.

Due to the need to rationalise overheads the prospect of more impetus developing for company takeovers is foreseen with the implied view that takeovers put properties on the market rather than take them off. Multinationals requiring large areas of office space tend to take a long-term view of the economy and are unlikely to be seriously affected.

It is pointed out that whilst the spread of portfolio is still the 'cornerstone' of investment philosophy, the yield gap between prime property and gilts may well cause a reappraisal of the growth which is necessary to achieve equivalent return over the medium term.

That view is reinforced by a shortage of property investments, whereas the gilt alternative is secure, high yielding, capable of capital growth and easy to acquire. A further factor is the removal of exchange controls which is causing funds to explore the possibility of investing abroad.

Reappraisal and selectivity

As a result Edward Erdman envisage the volume of property investment business declining into the new year, whilst funds reappraise their positions. Sellers of properties, not under any pressure to sell, may withhold property from the market. Although yields from prime property investment should, in theory, move upwards it is considered likely that, in practice, the movement will be marginal. More significant movement is foreseen in yields obtainable on secondary property and a justifiable widening of the yield reflecting the differences between the quality of the investment.

Development and forward funding

propositions will almost certainly be viewed by funds with much greater caution. Increased emphasis will be placed on the reliability of the developer's covenant, location, building design and possibly an insistence upon a greater preponderance of pre-lettings. That will lead to less competition for available propositions and result in the commencement of fewer shop and office development and refurbishment schemes.

This cautious view of the property prospect was taken in a preface to the annual review written immediately after the lifting of Minimum Lending Rate to 17 per cent.

The Minimum Lending Rate move and the attendant measures merely increased the degree of caution which had already been written into the body of the survey.

The review's first sentence, 'The slow, cautious recovery from the collapse of six

years ago is nearly complete', led on to the report of buoyant lettings in all sectors during 1979 with rents generally rising faster than inflation. Nearly £100 million was raised by quoted developers through rights issues, and many speculative developments were planned for completion within three to four years.

But despite that apparently strong background, 'The property industry embarks upon another decade with distinct unease.' There was already a view that funds would be attracted away from property investment by high gilt yields and that, from the development point of view, finance and construction costs necessitated 'the most careful evaluation of development schemes to ensure viability'.

If that was the view even before MLR went up to 17 per cent, it is no wonder the 'distinct unease' has given way to considerable caution.

professional is able to buy and sell shares in the knowledge that if he cannot close out his position within the account, he can declare his option to unload unwanted shares or call for delivery of shares in which he has gone short. These professional investors, who are generally acting on their own behalf, deal continually against their options to adjust their position in various shares.

No pretence

Option writing is stated as being undertaken mainly by institutions which have large equity portfolios and by professional investors. The former are able to use their equity holdings to earn a rate of return by taking option money.

The professional investors 'employ a wide variety of strategies involving combinations of different types of options, and often write uncovered options, ie, taking option money on shares which are not in their possession'.

Plainly, options have nothing whatever to do with that high-sounding stuff so often and earnestly trotted out by the Stock Exchange's do-gooders about the prime machinery for the raising of capital for industry and of finance for government. Options are plain institutional and professional speculation, and there is nothing wrong with that provided the do-gooders do not pretend it is something else.

Sternberg Thomas Clark get close to doing that, as their 'Conclusion' to their treatise shows:

'Options have traditionally had a poor reputation and have been regarded with suspicion by many investors. One criticism has been that it is possible to manipulate the prices of underlying securities by the judicious use of options. There is nothing new about this argument, since in 1694 Houghton described the process whereby a syndicate could buy up a large part of the share capital of stock and then buy call options from uncovered writers. On exercise the option sellers would be forced to pay exorbitant prices to obtain the stock. Houghton recognised that this would become more difficult as share capital increased: "And thus in small stocks 'tis possible to have Shares rise or fall by the contrivances of a few men in confederacy, but in great stocks 'tis with more difficulty.'"

Taking out options

Options and Traded Options are stock market inessentials. Their supporters dwell at considerable and even inordinate length on the benefits of market lubrication that Options and Trade Options provide, but in truth they are a luxury and like most luxuries can be expensive.

Stockbrokers Sternberg, Thomas Clarke & Co have produced a review of *Options for the UK Investor* which takes the uninitiated through Options in general and London Options in particular. These are plain straightforward options and not to be confused with Trade Options which are a separate market entirely.

The uninitiated are not, however, likely to be encouraged, under present circumstances, by the statement that 'in flat stable markets as many as 95 per cent of options may be abandoned'. When optimism is predominant as many as 90 per cent of options contracts have been declared, but the view is that 'this is the exception rather than the rule'.

It is admitted that 'the number of securities actually transacted on the exercise of option contracts is a tiny

proportion of the turnover on the Stock Exchange itself. Slightly over 50 per cent of both put options and call options were exercised during 1978, but the proportion varies substantially over time and depends to a large extent on the underlying market conditions. Since most options are calls, an active bull market will result in the most declarations being made. First you must find your active bull market.

But even the declaration of an option does not necessarily mean a profit for the operator. The buyers of options are mainly professional investors, although the general public 'experiment with giving money for the call'. It is admitted that 'using options requires continual attention to the current market price of the underlying security and its future prospects', and 'laymen lack the specialised knowledge to deal effectively in options and generally lose interest if they fail to make a profit initially'.

But very sophisticated professional investors are able to use options in more intricate strategies than purely speculating on a rise in share price. By using the fortnightly stock market account the

Financial Accountant

This type of market manipulation, the brokers comment, 'is indicative of imperfections in the stock market rather than the options market. Share prices have been manipulated without recourse to option dealing, as many Stock Exchange investigations have discovered'. Option operators, it seems, are saints.

Improvement of Husbandry and Trade

The Houghton referred to is John Houghton, FRS, who wrote, in 1694, a series of letters entitled *A Collection for Improvement of Husbandry and Trade*. In articles on 'Stocks and Stock Jobbing', after describing how the 'Monied Man' dealt in shares through brokers, Houghton wrote: 'Another time he asks what they will have for Refuse of so many Shares. That is, How many Guineas a Share he shall give for liberty to Accept or Refuse such Shares, at such a price, at any time within Six months or other time they shall agree for.'

The Contract for Refuse is the same as the modern call option, and Houghton wrote: 'so in plain English one gives Three Guineas for all the profits if they should rise, the other for Three Guineas runs the hazard of all the loss if they should fall'.

Defending options from accusations of speculation and gambling, Sternberg, Thomas Clark insist that speculation and gambling are not synonymous.

An option market is speculative, it is agreed, in the sense that it facilitates the redistribution of the real and unavoidable economic risk of holding shares between participants in the market place. But 'Gambling simply creates a new and avoidable financial risk.'

Hedging your bets

Speculation is 'not necessarily undesirable. It can fulfil a valuable role by making the market more liquid and less susceptible to short-term imbalances between supply and demand. Options can help to achieve this by enabling jobbers and investors to hedge against temporary price fluctuations'.

Again - 'Speculation only becomes undesirable when investors ignore long-term trends and follow the short-run reactions of other investors. This has the

effect of perpetuating an uneconomically unjustifiable trend.' But options have such short lives 'that they cannot be drawn away from their true value for long'.

At expiration an option must equal its intrinsic value, and 'since the options market is better able to cope with speculative surges it may act as a "shock absorber" to the main market by attracting speculation which would otherwise have had a destabilising effect'.

'Options, then, can fulfil a valuable role, both for individual users and for the economy as a whole. By providing a market in pure investment risk, investors are given the opportunity to suit their own risk preference.'

Vying for respectability

Finally, it is acknowledged that 'The present speculative reputation of options has led to their neglect by many UK investors, yet options have certain similarities with well-accepted and reputable features of the capital and money markets.

'Examples of these are warrants and convertibles which contain call option

elements and the underwriting of share issues whereby institutions are effectively writing out options. The options market trades in risk and in certain respects offers the same advantages to its users as an insurance market.

'However, the insurance market only protects against actual monetary loss; options can be used to insure against an opportunity loss. The existence of a market for investment risk is especially important in the context of modern investment theory.

'Investors both private and institutional can use options as an integral part of their portfolios to adjust risk levels in a relatively inexpensive manner, and thus construct an optimum trade-off between risk and return at any given time to suit their individual preference.'

One is tempted to wonder why such a non-speculative and essential stock market service only 'has an aggregate annual value of approximately £40 million in underlying securities' and why, at times of crisis and emergency, options business is invariably stopped.

Diamond Investment

For those investing in diamonds, there have been a number of advantages resulting from the abolition of UK exchange control regulations. For instance, the proceeds on realisation of diamonds may be received in any currency, and in any country, subject only to local restrictions. One organisation selling diamonds to the public, Diamexpansion (UK) Ltd, has run a financing scheme which, previously, was restricted to non-UK residents.

Now, however, British residents can raise cash, using their diamond holdings as collateral. Up to 60 per cent of current value (based on Diamexpansion prices) can be obtained to finance existing or new diamond investments, through a facility provided by AMRO Bank of Holland. Interest is charged at three per cent over Dutch clearing banks' base rate, and is payable only on the reducing balance. Repayments of capital are made monthly, and interest is debited quarterly.

As interest is calculated on the out-

standing capital, borrowers may repay the total amount early, or make more substantial capital reductions, without penalty. Over the recent past, the interest rate has been in the range from 10½ per cent to 13 per cent, with a minimum overall of 7 per cent. Diamonds imported into Holland attract VAT (currently at 4 per cent) and the bank makes a safe-keeping charge of 0.12 per cent per annum.

Managed Gilts

There is still plenty of interest in managed gilt funds. Henderson Baring (Guernsey) Ltd have set up Baring Henderson Gilt Fund Ltd.

The aim of the fund is to enable investors to obtain the high yields which are offered by a managed portfolio of British Government securities, and to provide protection and growth in the capital through an active investment policy. The managers have said that, although the basis of the portfolio will consist of British Government stocks on which interest is payable free of tax to

non-residents, they will not feel precluded from investing, at least temporarily, in other sterling denominated instruments of good quality.

They will be considering the relative attractions of holding long gilts and cash, dependent on whether interest rates are falling or rising. Secondly, the yields on short- and long-dated gilts can vary relative to each other, thus providing scope for switching. The third area which the managers will be considering is that of switching between similar dated gilts, so as to take advantage of anomalies which regularly occur in the market through varying investor influences.

The fund has been established under the auspices of Baring Brothers and Co Ltd and Henderson Administration Ltd which, in the past, have promoted a number of international investment funds, which are managed directly by, or through subsidiaries of, Henderson Baring Management Ltd – a Hong Kong company owned equally by Barings and Hendersons.

Directors' Individual Fund

Lloyd's Life Assurance Ltd has extended the investment facilities available for Directors Plan pension policies to include an 'individual fund'. The aim is to provide the investment flexibility of a self-administered fund, while retaining the administrative convenience of an insured scheme and minimising the costs to the employer.

The individual fund facility is an addition to the normal funds to which a pension policy can be linked. A separate individual fund is established for each scheme wishing to use the facility. An individual fund may hold cash or money market deposits; equity shares quoted on the UK Stock Exchange; gilts and other quoted fixed interest securities; land or buildings (freehold or leasehold); commercial loans secured on land or buildings. In practice, subject to the approval of Lloyd's Life in connection with any selected investment, the choice is at the discretion of the trustee. Unquoted company shares may not be included in the fund. Lloyd's Life handles all correspondence with the Superannuation Funds Office, including preparation of the trust deed, rules and policies.

Mortgage Facilities

The current shortage of funds for house purchase is affecting many house purchasers in two different ways. In the first place, they are finding it difficult to obtain a loan to purchase the house which they want. Secondly, it is difficult to sell their existing house because potential purchasers cannot raise the loan which they need.

Fortunately, an increasing volume of funds is being made available from banks and other institutions, relieving, to some extent, the pressure on building societies. Admittedly, interest rates tend to be higher, but, often, it is better for an individual to pay a somewhat higher rate of interest than that charged by a building society if it is virtually the only means of obtaining a loan.

The London *Evening Standard* has an arrangement with Citibank and Burgoyne Alford & Co Ltd. Anyone advertising a house in the paper knows that a purchaser has access to a loan scheme. Here, the higher the amount of the loan, the lower is the rate of interest – unlike the practice of building societies, where the rate of interest normally increases with the size of the loan.

Citibank is providing the loan, and is insisting on life cover – either an endowment policy as collateral, or a mortgage protection policy where a repayment mortgage is arranged. Burgoyne Alford & Co Ltd are providing whatever life assurance may be needed, and also are insuring the property for the purchaser with underwriters at Lloyd's.

PHI 'Tax' Policy

For those with high earnings, one of the problems connected with permanent health insurance has been the fact that, after the initial 'tax holiday', benefits from such a contract are taxed as investment income in the hands of the insured.

To try to ease the position, NEL Permanent Health Insurance Ltd has introduced a policy, called Tax Guard, where the initial benefit is restricted to half gross annual earnings. Once this initial benefit has been paid for a full year, it increases automatically by 50 per cent from the following May 1st, for the balance of the claim.

The policy can also include provision

for benefits to escalate by five per cent per annum in payment. If, when escalation takes effect, the benefit being paid includes the 50 per cent increase, the escalation applies to the full benefit.

Apart from that, every policy automatically includes an option to increase benefits, which enables a policy holder to increase his initial benefit by up to 25 per cent of the original initial benefit every four years, until reaching the age of 55. No evidence of health is required; the only proviso is that the insured is actively at work at the time.

Premiums for this contract are about one-third higher than those for the corresponding standard policy issued by the company. The contract is available only on an 'own life' basis, and the maximum initial benefit is £15,000. The minimum earned income to qualify for this policy is £10,000, and the minimum initial benefit is £5,000 per annum.

For Uplifted Funds

Time Assurance Society has introduced an unusual contract for uplifted funds to be applied to purchase pensions for the self-employed under the 'open market option'.

The uplifted cash secures an amount of annuity which is calculated according to the average gross redemption yield on the 15-year High Coupon British Government Stock as quoted daily in the *Financial Times*.

Referring to the position when the yield was 13.63 per cent, Time Assurance has said that, for a male who had attained the age of 65, the annual amount of annuity provided by purchase money of £20,000 would be £3,118, payable monthly in advance for a term of five years and thereafter throughout the lifetime of the annuitant. For a man aged 70, the same sum would produce an annual amount of annuity of £3,408. If required, initially, the annuity could be written on an annually in arrears basis, with no guaranteed term, so as to increase the tax-free cash which could be taken by commuting part of the pension.

Time Assurance is basing its commission on the amount of uplifted cash, and not on the resultant annuity. The rate of commission is a half per cent of the uplifted cash, compared with the normal rate of 1½ per cent of the annual amount of annuity paid.

The Month Around the Banks

by WILLIAMS AND GLYN'S BANK

The removal of exchange controls has aggravated the shortcomings of the 'corset', the supplementary special deposits scheme, already generally held to be an inequitable and inefficient form of credit control. To plug the further loopholes that this new freedom would create, banks have been asked to refrain from arranging lending to customers from overseas branches and associates. The banks themselves welcomed the opportunities to provide banking facilities in foreign currencies but indicated that there had to date been no overwhelming demand for them.

Meanwhile, though the system of supplementary special deposits, in its present form, was extended for another six months from December, the authorities have recognised that it does not have a permanent role to play in monetary control. It is likely, as the Chancellor confirmed in his policy speech of November 15th, that more reliance will in the future be placed on a monetary base type of control.

Prophets of doom

A monetary policy that is to allow for the money supply to expand by only 7-11 per cent at an annual rate – a target extended now to June 1980 – while inflation is at 17 per cent and rising is bound to create problems for some borrowers unless the tempo of business activity is to slow down drastically. And a drastic slowdown is precisely what is currently being forecast for 1980, the Treasury having added its voice to the gloomy pronouncements with one of its most pessimistic forecasts.

With little change in personal consumption likely for next year, a possible downturn in private investment and stockbuilding, no growth in general government expenditure on goods and services and depressed export prospects, the climate seems to be set for a substantial contraction in activity and a conse-

quent fall in credit demand. Yet developments over the past month seem to have borne little relation to the sort of analysis outlined above.

Earlier hopes of a down-turn in interest rates were dashed in mid-November. The cautious market and official reaction to the apparent slowdown in credit demand in the September banking figures had been justified. Clearing bank figures for October indicated a renewed surge in credit demand, with bank lending in sterling rising by £696 billion after the previous month's fall – a much sharper rise than expected – accompanied by a further increase in acceptances. A large public sector borrowing requirement with depressed sales of public debt to the non-bank private sector also contributed to the renewed acceleration in monetary growth in October.

A rise in interest rates thus seemed inevitable; market rates had hardened in anticipation and one clearing bank had pushed its base rate up to 15½ per cent. Nevertheless, the size of the eventual increase in Minimum Lending Rate – by 3 points to a record 17 per cent – took the market by surprise.

The clearing banks soon moved into line with a similar increase in base rates. The rate for deposits at seven days' notice was raised to 15 per cent, narrowing the margin between the two by one half-percentage point.

Several factors contributed to the dramatic turnaround. The October rise in bank lending probably exaggerated the underlying rate of growth, particularly because of the impact of bank charges at end-September, levied at the higher rates of interest since June. The aftermath of the engineering strike may have swollen the total lending in the manufacturing category. The first payover by manufacturing firms at the higher rated VAT and the pressures on company cash-flow of the tax rebates to employees also contributed. Other sectors, such as

agriculture, construction, retail and other distribution also shared in the increase.

Money supply figures in October reflected these developments in bank lending. After a modest increase in the previous month, sterling M3 rose by 2 per cent, bringing the increase at an annual rate since last June to 14 per cent.

Interest rate developments here, though related to domestic causes, were in accord with the general trend in money markets abroad. A major influence was the further hardening of US interest rates, exacerbated by the pressure on the dollar following the Iranian crisis. Canadian rates moved in line, and the Japanese bank rate was raised as part of the attempts to support a weakening yen. In Europe, as governments reaffirmed their determination to check inflation, official discount rates moved higher in West Germany, the Netherlands, Switzerland and Finland.

The key question is whether the new level of interest rates in the UK is now high enough to have a rapid impact on credit demand. Personal borrowing was shown in October to be still rising strongly, but this is possibly the category of lending where the cutback when it came, would be most drastic. The traditional pre-Christmas spending spree may delay the decline, but the turn of the year should almost certainly see a more cautious attitude.

Iran

The turmoil in the Middle East, uncertainty about Iran's precise intentions over honouring its massive debts to the West and the freezing by the US of Iranian funds held in US banks – estimated at some \$8 billion – have understandably been a source of concern.

Moreover, the exact legal position regarding the freezing of Iranian dollar deposits held by some US banks at home and in other countries – predominantly in London – remains unclear. The concern extends to the future developments in the syndicated loans market and to the future of Middle Eastern dollar deposits in general. At least for the moment these events will possibly lead to a reduced international role for the dollar, and will reinforce the calls for greater central bank control over the operations of the Euromarket.

City Notes

Bearish New Year

As the equity market was sliding nearer the crucial *FT* Index 400 mark, the City began bracing itself for probably the most bearish periods of New Year surveying since 1973. Dr David Lomax, economic adviser to National Westminster Bank, wrote nothing but the truth in stating that 'this coming six months will determine the economic framework for the next few years'.

The winter (like everyone else, City people hold on to autumn for as long as possible) is faced with the combination of a continuation of the traditional problems of the British economy, no benefit as yet from the new government's policies, and a significantly more adverse world environment.

We are, in Dr Lomax's view, looking at possibly the worst combination of pressure that has been seen for some years. In six months time there should be a more favourable position: 'If the Government has succeeded in obtaining some control over public spending, the PSBR, and the money supply, then they will be in a much easier position than if they were still trying to force through such changes.'

True, indeed. But the operative word is the first word - 'IF'.

MLR Decline and Fall

Stockbrokers Wood Mackenzie consider that the pattern of money supply is not likely to be favourable until the first quarter of next year. Then, stockbuilding by industry is likely to have topped out, while the Government, aided by the sale of assets, the bringing forward of Petroleum Revenue Tax payments and the rundown of Post Office accruals - should be in significant surplus.

'MLR is then likely to follow a similar pattern to that of 1977 when it fell four points in the first four months,' Wood Mackenzie consider. That kind of forecast inevitably entails qualification and the brokers predictably supply it.

'However,' they consider, 'the pace of the interest rate decline may subsequently be stemmed by the size of the non-oil corporate sector deficit and concern about the 1980-81 PSBR.' It is maintained that the public sector debt has fallen in real terms in the last ten years but that the trend is obscured by the servicing cost of the debt, given that it is still refinanced on a fixed coupon system.

Hambro Saga

One of the City's collective faults is to see itself in terms of institutions rather than of people. That accounts for carping criticism in some quarters of *The Hambros 1779-1979* which City institu-

tions expected to be a history of Hambros Bank.

Instead it is the story of the Hambros Family and the plenitude of its people. Particularly it is the story of the English line stemming from Joseph Hambro right the way down to young master Leo Percival Hambro born in 1977.

Joseph was the son of Calmer Joachim Hambro of Hamburg who in 1778 married Thobe Levi, the daughter of a Danish merchant who had obtained Danish citizenship in 1751. Calmer Joachim took Hamburg as the name of his banking firm but a clerk's error misspelt it Hambro.

The Hambros 1779-1979 by Bo Bramsen and Kathleen Wain. Published by Michael Joseph, £13.50.

Rates and Prices

Closing prices, Monday, December 10th, 1979

Bank of England Minimum Lending Rate						Money Rates						
May 12, 1978	..	9 %	Mar 1, 1979	..	13 %	Day to day	15 -15½ %	<i>Bank Bills</i>				
June 8, 1978	..	10 %	April 5, 1979	..	12 %	7 days	.. 15½-15¾ %	2 months	..	16½ %	16½ %	
Nov 9, 1978	..	12½ %	June 12, 1979	..	14 %	<i>Trade Bills</i>		3 months	..	16½ %	16½ %	
Feb 8, 1979	..	14 %	Nov 15, 1979	..	17 %	1 month	.. 17 %	4 months	..	16½-16¾ %	16½ %	
Finance House Base Rate December 1st, 1979, 15½ %						2 months	.. 17 %	6 months	..	15½ %	15½ %	
						3 months	.. 17 %					
Certificates of Tax Deposit November 26th, 1979: interest on payment of tax 16½ % + 0 % per annum withdrawn for cash 13 %						<i>Three Months' Rates</i>						
						Local authority deposits			..	..	16½-16¾ %	16½ %
						Local authority bonds			..	..	17½-17 %	17½ %
FT Industrial Ordinary Index December 10th, 1979, 419.2						Sterling deposit certificates			..	..	15½-16½ %	15½ %
						Euro-sterling deposits			..	..	15½-17½ %	15½ %
						Euro-dollar deposits			..	..	14½-14¾ %	14½ %
						Inter-bank rate			..	..	16½-16¾ %	16½ %
Treasury Bills						Foreign Exchanges						
Oct 5	..	£13.3244 %	Nov 9	..	£14.7581 %	New York	..	2.1680	Frankfurt	..	3.7975	
Oct 12	..	£13.3615 %	Nov 16	..	£16.1843 %	Montreal	..	2.5245	Milan	..	1772.75	
Oct 19	..	£13.3646 %	Nov 23	..	£16.1237 %	Amsterdam	..	4.2050	Oslo	..	10.8750	
Oct 26	..	£13.4713 %	Nov 30	..	£16.0988 %	Brussels	..	61.8000	Paris	..	8.9175	
Nov 2	..	£13.4868 %	Dec 7	..	£15.9825 %	Copenhagen	..	11.7500	Zürich	..	3.4975	
Gilt-edged												
Consols 4 %	..	..	..	..	..	30½	Treasury 13½ % 1997	..	..	..	92½	
Consols 2½ %	..	..	..	..	..	20½	Treasury 9½ % 1999	..	..	..	67½	
Conversion 3½ %	..	..	..	..	..	33½	Treasury 9 % 1994	..	..	..	68½	
Funding 3½ % 99-04	..	..	..	..	..	33½	Treasury 8½ % 84-86	..	..	..	77½	
Funding 5½ % 78-80	..	..	..	..	..	96½	Treasury 8½ % 87-90	..	..	..	68½	
Funding 5½ % 82-84	..	..	..	..	..	77½	Treasury 3½ % 77-80	..	..	..	95½	
Funding 5½ % 87-91	..	..	..	..	..	58½	Treasury 3½ % 79-81	..	..	..	91½	
Funding 6 % 1993	..	..	..	..	..	56	Treasury 5 % 86-89	..	..	..	58½	
Funding 6½ % 85-87	..	..	..	..	..	70½	Treasury 5½ % 08-12	..	..	..	43½	
Treasury 13 % 1990	..	..	..	..	..	87½	Treasury 2½ %	..	..	..	18½	
Treasury 12½ % 1993	..	..	..	..	..	83½	War Loan 3½ %	..	..	..	27½	
Retail Price Index (Jan 1974=100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1973	89.3	89.9	90.4	92.1	92.8	93.3	93.7	94.0	94.8	96.7	97.4	98.1
1974	100.0	101.7	102.6	106.1	107.6	108.7	109.7	109.8	111.0	113.2	115.2	116.9
1975	119.9	121.9	124.3	129.1	134.5	137.1	138.5	139.3	140.5	142.5	144.2	146.0
1976	147.9	149.8	150.6	153.5	155.2	156.0	156.3	158.5	160.6	163.5	165.8	168.0
1977	172.4	174.1	175.8	180.3	181.7	183.6	183.8	184.7	185.7	186.5	187.4	188.4
1978	189.5	190.6	191.8	194.6	195.7	197.2	198.1	199.4	200.2	201.1	202.5	204.2
1979	207.2	208.9	210.6	214.2	215.9	219.6	229.1	230.9	233.2	235.6		
Tax and Price Index (Jan 1978 = 100)												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1978	100.0	100.7	101.5	98.4	99.0	100.0	100.5	101.3	101.8	102.4	103.2	104.3
1979	106.1	107.2	108.2	110.5	111.6	113.8	113.8	114.9	116.2	117.6		

Student Roundabout

Training Profile

PEIGI MACKAY recently completed her ICMA training with British Rail.

The opportunity to stand in pouring rain, in bright protective clothing, in a dark and wintry goods yard to watch the milk train out may seem a nightmare to some, but there is no doubt that it makes you appreciate the hazards and difficulties of some jobs on the railway. It is not as glamorous as taking a properly-authorised ride in the cab of the High Speed Train at 125 mph, but it certainly adds variety and interest to an accountancy training course!

As an ICMA student, my general career interests lay in providing accountancy services to one organisation, rather than specialised services as a practising accountant to many organisations. In choosing British Railways Board as an employer I was able to delay the choice of specialism until training was complete, by which time I would have observed the many and varied positions available and so, hopefully, make a better choice than I could have at the beginning of my employment, when my knowledge of accountancy was limited to checking my bank statement.

A trainee with BRB has a unique opportunity not only to observe but to be involved with several different businesses. Under the scheme a trainee is attached to a Region – Western, in my case – or British Rail Engineering Ltd (BREL) and spends most of the time with that organisation. The rest of the training programme involves visits to other businesses or sections such as the shipping division of internal audit, and attending courses on particular aspects of BRB operations, such as the use of computers, not only in accounting but also in engineering.

Dead shops and lifting shops no longer puzzle me after a fascinating month attached to a BREL works. This experience really clarified the fundamental aspects of financial and cost accounting as each works is run on the lines of a separate business with its own books under the umbrella of BREL

Headquarters at Derby. UVS, bogies and chairs can no longer be used as tools of confusion by railwaymen for this accountancy person; an Urgent Vehicle Standing is one that must be repaired with all speed and priority; bogies are used, not to frighten children but to carry wagons; and wooden or concrete sleepers (not human ones) carry chairs for rails to sit in.

In a high-technology industry like the railway, it is important to grasp the meaning of words in particular contexts and so the opportunity to go into the yards, on to the stations and through the many clerical procedures at these locations and in the divisional and regional offices provides a good grounding in jargon and mnemonics.

My travels as a trainee have extended from Crewe and Derby southward to Watford and Reading and on westward to Westbury and Cardiff, so an ICMA student can get around as much as anyone if he or she chooses the right organisation. For part of each year I was based in London while studying for the professional exams, although other trainees are at Derby, Leeds and Glasgow. The training programme attempts to relate particular experiences to study for professional exams.

Personally I feel this integration is fairly restricted to financial and cost accounting and data processing, all of which worked to my advantage for parts I and II. The opportunities for applying or experiencing organisation and marketing management, taxation, law and anything but basic quantitative techniques are limited in an organisation of the size and nature of BRB. In other organisations there may be wider scope; but because of time constraints, the need to retain good relations between trainees and departments by not overloading the department with a succession of trainees, and the desire to provide as wide a general picture of the organisation as a whole and its accounting departments in

particular, I feel the scheme provides a reasonable foundation for college studies within these limitations.

It is important for an ACMA not only to be a good accountant understanding general principles, but also to be knowledgeable about the problems of the particular industry. In costing train services it is not just trains and track that must be considered, but also signals, electricity or diesel fuelling, and the many and varied personnel from drivers to cleaners, ticket sellers to porters and guards, fitters to boilermen, engineers to accountants. All have a part to play and all provide problems for the costing section: how to apportion costs between freight, passenger and parcels, where to allocate personal needs breaks, how to absorb the overheads of station and office services.

No training scheme or professional examining body can be perfect, but by discussions – very lively at times! – it is possible to iron out the worst aspects and implement new, and hopefully better, ones.

Overall the BRB scheme provides a challenge to someone interested in an accountancy career; but, like all things, it is the amount of effort you are prepared to put in which determines the reward you will gain in terms of job satisfaction – and, in the long run, financial rewards.

Letter to Roundabout

STUDENTS NOT TO BLAME

SIR, – Having passed my own professional exams many years ago, I have a lot of sympathy with today's students struggling with the ever increasing complexities of accountancy and its allied subjects.

I was particularly sorry to see criticism in the examiners' report on PEII ('Roundabout', November 22nd) of examinees for confusing 'translation' and 'conversion' in relation to foreign currency transactions. In my day 'conversion' meant conversion and 'exchange' meant exchange. It now appears (from the definitions in ED21) that 'translation' means conversion, and 'conversion' means exchange.

It seems to me, therefore, that the blame for confusion rests primarily on the authors of ED21, rather than on students trying to grasp what comes close to a misuse of once well understood English words.

Yours faithfully,

L. T. LE S. FILLEUL, FCA.

Yeovil, Somerset.

CASSL Out – A SANE Decision?

The Chartered Accountant Students' Society of London decided on Monday of this week to withdraw from the national association – ACASS – despite assurances in the form of letters and 11th-hour telegrams and telexes, that over-half of provincial student societies would support increased voting strength for CASSL at the next ACASS council.

However, the meeting went with not so much a bang as a whimper – it was quorate only after a search of the bar, and, as one CASSL member said, the poor attendance reflected badly on both ACASS and CASSL. But apathy towards representative structures is hardly confined to student societies and those present, including some rather confused new students, showed an enthusiastic interest in the proceedings. The final result, including proxies, was 58 for the motion and 21 against.

The main problem was whether or not Ian Davies' collection of verbal and written assurances from 18 member societies could be relied upon after the experience of the Newcastle Council; CASSL were happy to receive the written ones, but seemed dubious about the others. There was some dispute over the 'feedback' received by CASSL from ACASS, with the former stating that information was always after the event and the latter arguing for increased involvement by CASSL.

Many ordinary members were worried about the question of liaison with the Institute. Mr David Mashiter, BSc, ACA, a qualified member well known to students, spoke passionately against the motion, arguing that it would be 'a terrible mistake' and that the only way effectively to influence the ICAEW was through a single national student body.

However, this decision should not be seen as a negative one – CASSL has to give twelve months' notice and a lot can happen in that time. Mr Graham Cole, BA, FCA, attending as one of the LDSCA representatives on the CASSL executive, assured those present, before the vote

was taken, that whatever the decision the London District Society would give all its help and support.

The executive of the national association has been in close contact with the London Society through the joint liaison committee and this has led to greater co-operation and understanding.

Alternative structure

CASSL chairman Neil Haines and ACASS president Ian Davies say that 'it is considered important that there should continue to be only one student body liaising with the Institute and conducting national affairs', and have hammered out an alternative structure, along the lines suggested by Neil in the October issue of *Libra*. They have stressed to 'Roundabout' that this model has been carefully thought out and considered by its authors as an exposure draft on a personal basis, and 'does not in any way purport to represent the views of CASSL or ACASS'.

The hierarchy can be represented as in the panel below.

There would also be an annual National Council, attended by representatives of all societies and the CASSL and RS executives.

'SANE' stands for the Student Accountant National Executive, financed equally by the regional societies and CASSL and consisting of five representatives of each. It would be responsible for representing national policy to the Institute, and would elect its own officers – from 1981 onwards, a president elected at the national council

(and ideally a sabbatical position in London) plus a treasurer and a secretary. SANE would meet monthly.

The Regional Societies Executive would be elected at the Regional Societies annual Council and would meet monthly. It would concentrate on furthering the aims of local student societies, and improving services to local societies. For 1980 it would consist of the 1979 ACASS executive (obviously excepting registered London members) and from 1981 onwards, of regional societies' members. It would be financed by the 26 regional societies, and the CASSL executive would continue to have the same responsibilities.

The National Council would be responsible for the policy and administration of SANE and would be financed by SANE; the Regional Council would be responsible for the administration of the regional societies executive and recommendation of policy through RSE to SANE for consideration at national council and would be financed by the RSE.

Apart from the President (or two joint chairmen in 1980) who would be spokesman on policy and representation, and the treasurer, the following is the suggested break-down of duties:

National services – two members, ie, through CASSL and RSE.

Education and Training – Education and training chairman heading sub-committee comprising members of RSE Education Committee and CASSL Education Sub-committee.

External – Chairman responsible with the officers for liaison with other professional bodies.

Procedures and Development – Chairman to consider the manner in which the national body should expand in matters of administration, premises, structure, etc.

Communications – two chairmen with responsibility for communications of

(a) ICAEW

(b) 'SANE'

(ten members drawn from regional and London executives)

(c) Regional Societies

(d) Regional Societies Council

(e) 26 societies

(c) London Executive

(d) Annual general meeting

(e) CASSL

Student Roundabout

SANE with individual student societies – ie Newsletter. One to have responsibility for services communication the other to bear the responsibility of communicating developments of policy.

Each person would be responsible to SANE as a whole and SANE responsible to national council.

Assuming a capitation fee of £2.66 and 7,500 students, the regional societies executive would receive an income of £20,000 of which half would be allocated to SANE. The rest would be spent on a secretary (£4,200), 25 per cent of the Chancery Lane lease (£1,250), one regional council (£3,250), 25 per cent on executive travel (£500) and office costs at £800, which all adds up very neatly to £10,000.

The example given for financing SANE is based on an income of £20,000

of which £4,000 would be spent on the national council, £4,500 on an administrative secretary, the rest of the office lease (£3,750), other office costs at £2,250, £2,000 for UnEAS, £1,500 on executive members' travel and costs at £2,000, adding up to £20,000.

If this structure is agreed and accepted by the provincial societies and CASSL, CASSL will have its true voting strength and there will still be a national voice. For those who expected the secession to lead to the cessation of co-operation between the old ACASS and CASSL, it should come as quite a surprise.



A few days before the vital decision over 360 new London students were welcomed at Chartered Accountants' Hall for refreshments and an introductory talk. The wide range of facilities and events offered by CASSL were explained and those present were urged to attend the special general meeting.

To the right, a group from Arthur Andersen. Ladies first (starting at the top): Sarah Heath and Susan Fellowes, with Chris Stalker, Johnny Abbs and Paul Archer. Below, from left to right, CASSL chairman Neil Haines, executive member Mike Bentley, firms reps' chairman Chris Forbes and treasurer Malcolm Bacchus.



NO 'MARGINAL' CHARTERED ACCOUNTANTS

If those students who took the ICAEW October PEI still have reasons to be worried, there is at least some good news for future successful PEII candidates – there is to be no introduction of a grading system at the final stage.

Students were horrified when the results slips of the July PEII arrived showing some candidates as 'marginal passes'. ACASS feared that principals would demand to see the slips and pay the 'marginal' students lower salaries in consequence (*The Accountant*, October 4th) and *Libra*, the London students' society magazine, ran an editorial entitled 'The Institute of Marginal Accountants'.

A mistake

However, 'Roundabout' is happy to report that this will not happen in future and that it was a mistake that arose from good intentions. Mr Colin Walters, ICAEW examinations officer, explains that the Examinations Committee were under pressure to give out more information on students' examination performance. The previous division into 'fail' and 'bad fail' was not sufficient and it was decided to split the 'fail' band into two, showing 'marginal' failures.

It was also felt that more information should be given on individual papers and subjects so that students and principals would be able to concentrate on the weaker areas. In the case of PEII students, the aim was to indicate the same to referred and failed candidates but the system was somehow extended to cover successful students. Mr Walters says that the Committee, at the time, did not consider the implications but within a matter of days after a private indication from student representatives, the Committee unanimously agreed to drop the grading for successful finalists. They will continue to indicate marginal passes at PEI level and in individual subjects for failed and referred PEII students.

Marginal passes, in any event, are no bar to subsequent professional distinction. The tale is told of a certain Past-President who looked up his own examination results as soon as he was in a position to do so, and discovered that he had qualified by two marks!

Notice Board

PROFESSIONAL NOTICES

Michael Bevan & Co announce the opening of a new branch office at 41 St Mary Street, Bridgwater, Somerset. The firm have appointed Mr Paul A. Simmonds, BSc, ACCA, as a partner.

Dearden Farrow announce the retirement of Mr B. A. Clark, FCA, on January 8th, 1980 after nearly 28 years in the present partnership and in its former firms.

Josolyne Layton-Bennett announce that Mr Martin H. Hill, FCA, and Mr Charles E. Norris, ACA, who have been managers with the London firm for a number of years, are to be admitted as partners in the London firm from January 1st, 1980.

The partners of Morris, Croker & Co of Portsmouth, Havant and Petersfield regret to announce the death of their senior partner, Mr Harry E. Marshall, FCA. The practice will be continued by the remaining partners. Mr Marshall joined the firm in 1930 and became a partner in 1945.

Touche Ross International announce that Mr Douglas R. P. Baker, FCA, managing partner and chief executive of Touche Ross & Co, has been elected chairman of its board of governors.

APPOINTMENTS

Mr John Barrett, FCA, has been appointed to the board of Varta Batteries Ltd as financial director.

Mr E. W. Burton, FCCA, has been appointed finance director of Molins Ltd.

Mr F. C. Chittenden, ACCA, ACIS, has been awarded the Chartered Secretaries Postgraduate Exhibition for 1979.

Mr John D. Lambert, FCA, has joined Peckston Group Limited, Middlesbrough, as group financial director and company secretary.

Mr David Palmer, ACMA, has been appointed chief accountant at Darley Business Forms Ltd.

Mr Lee Siang Chin, FCA, CPA(Malaysia), has been appointed group manager of corporate affairs for the Sime Darby Group in Kuala Lumpur.

Mr A. J. Thomas, FCMA, IPFA, FBCS, has been appointed part-time adviser and lecturer for The National Computing Centre.

Mr Bill Speirs, ACMA, has been appointed general manager of SSF (Chesterfield) Ltd.



Mr W. Speirs



Mr G. Yates

Mr Geoffrey Yates, CA, the chief executive of Butterfield Harvey Ltd, has been appointed chairman of the London Region Council of the Confederation of British Industry.

CHRISTMAS AND NEW YEAR HOLIDAYS

The trading floor of the London Stock Exchange will close at 1 p.m. on Monday December 24th, and will be closed throughout the two following days, reopening for business during normal

hours on Thursday, December 27th. The Exchange will also be closed on Tuesday, January 1st, 1980. Further details of settlement facilities during the Christmas and New Year period are available from the Exchange.

The London Clearing Banks will be closed in December 25th and 26th, and on January 1st, 1980. The banks will also close at noon both on Monday, December 24th, and on Thursday, December 27th.

SCOTTISH INSTITUTE Reciprocal Membership

Recent amendments to the rules of the Institute of Chartered Accountants of Scotland will permit the Council to admit to membership qualified members of accountancy bodies outside the United Kingdom and Ireland, provided that any such overseas body first has the approval of the Privy Council. The declared intention of this move is not to grant membership in any way which might dilute the quality and standing of the Scottish Institute, but to recognise the privileges already enjoyed by its members in some overseas jurisdictions.

Subscriptions

Annual subscriptions for Scottish Institute members have been increased, as from January 1st, 1980, to £65 for those resident in the UK and £41 for those elsewhere (£56 and £37 respectively for those of less than seven years' standing). As from the same date, the admission fee is increased to £150, the practising certificate fee to £30 and the fee for registration of a training contract to £115.

John Foord

chartered surveyors
plant and machinery valuers

**When the need arises to face facts
and grasp the nettle, take
Independent Professional Advice.**

Debenham Tewson & Chinnocks

Chartered Surveyors

Bancroft House Paternoster Square London EC4P 4ET
01-236 1520

44-46 Brook Street London W1Y 1YB
01-408 1161

3 Castle Street Cardiff CF1 2RJ
0222-398182



Charitable bequests...

A suggestion to those whose advice is sought.

When clients consult you on the matter of leaving a legacy to Charity some are concerned about human welfare and others with animal care. One charity, however, is unique in that it exists to help people *and* animals.

The PDSA exists for the purpose of providing free treatment for sick and injured animals owned by people who cannot afford the private veterinary fees. By relieving the physical suffering of an animal, it also relieves the anxiety of the owner.

These days many people devoted to an animal just cannot afford veterinary treatment – so the PDSA provides it. More than 750,000 animal treatments a year are carried out in England, Scotland and Wales. That is why the PDSA which is supported entirely by voluntary contributions needs help.

We will gladly send you further information about the ways in which Bequests, Deeds of Covenant or Donations can be made. Please write to:

Sir Mark Tennant KCMG CB
Honorary Treasurer People's Dispensary for Sick Animals
PDSA House South Street Dorking Surrey RH4 2LB.
Telephone Dorking 81691.



Registered Charity No. 208217

Chartac Technical Manuals

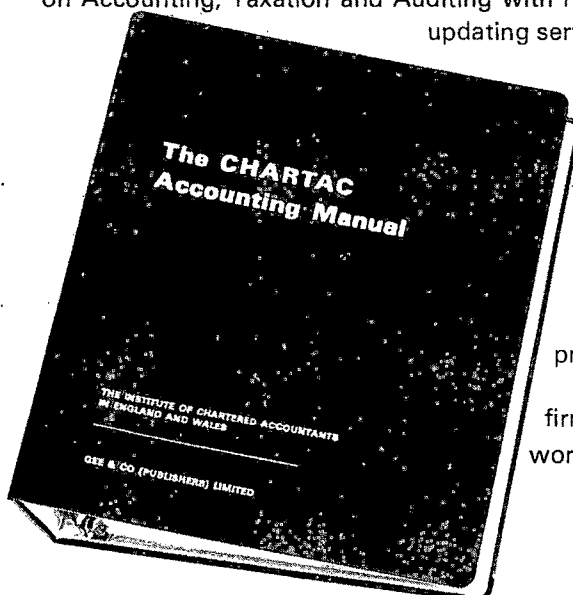
A New Service for Accountancy Practices



A new series of Chartac Technical Manuals for professional accountancy practices is to be launched in January and will be published for The Institute of Chartered Accountants in England and Wales by Gee & Co (Publishers) Ltd.

Devised as companions to The Chartac Administration Manual, the series will comprise loose-leaf manuals on Accounting, Taxation and Auditing with narrative sections, forms, check lists and standard letters. An updating service will be offered to cover any significant legislative changes or pronouncements affecting the content of the manuals.

The manuals are being prepared by Michael Groom, FCA, as series editor, together with three of his partners, Douglas Fairbairn, Chris May and John Stubbs. Mr Groom, a member of the Council of the Institute, is the author of the Administration Manual and until three years ago was a sole practitioner. The manuals are intended primarily for the smaller and medium-sized firm which may not have the technical resources available to provide the range of documentation offered in the manuals. The authors have had the benefit of material submitted by over 80 firms, and the manuals can be regarded as part of the continuing work of the Institute to help members improve practice standards and efficiency.



The Chartac Accounting Manual will be the first to be published, followed by The Chartac Taxation Manual and The Chartac Auditing Manual. A Model File common to the Accounting and Auditing manuals will be published separately. The list of contents for The Chartac Accounting Manual includes the following sections: general administration, accounts preparation, accounts finalisation, technical notes, management accounting, other accounting work, forms, check lists and pro formas.

If ordered now, The Chartac Accounting Manual will be made available at a special pre-publication price of £35 plus £1.30 postage – a saving of £10 on the full price.

There will be a special pre-publication offer for the Taxation and/or Auditing Manuals provided that those wishing to purchase the manuals indicate their intention to do so now, and send their remittance on receipt of invoice one month before publication.

Special Pre-publication Offer

To: GEE & CO (PUBLISHERS) LTD
151 STRAND, LONDON WC2R 1JJ

Please send copy/copies of
THE CHARTAC ACCOUNTING MANUAL
on publication in January at the special pre-publication price
of £35 plus £1.30 postage.

Remittance enclosed £ 1 2 MAY 1980

Name

Address

Please reserve me copy/copies of The Chartac Taxation
Manual and copy/copies of The Chartac Auditing
Manual. My remittance will be sent on receipt of invoice one
month before publication.

Name

Address